FBIS DAILY REPORT

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CONTADORA DOCUMENT SUBMITTED TO PEREZ DE CUELLAR

PA271639 Paris AFP in Spanish 1010 GMT 27 Sep 85

[Text] United Nations, 27 Sep (AFP) -- The Contadora Document for Peace and Cooperation in Central America calls for the elimination of foreign military bases, schools, and installations in the five Central American countries within 180 days of its signing. The document, which was negotiated by the five Central American countries with Contadora's mediation, was submitted to UN Secretary General Javier Perez de Cuellar on Thursday and released today.

It also provides for the withdrawal within a period of not more than 180 days from its signing of all foreign military advisers and other foreigners likely to engage in military, paramilitary, or security activities. According to the document, the parties must disarm and remove from the border areas any group or irregular force that has been identified as being responsible for actions against a neighboring state.

They also pledge to reduce "with a view toward their elimination" any military maneuvers implying the participation of armed forces of other states. The document provides that the parties must take steps toward the establishment or perfecting of representative democratic and pluralistic systems and to promote urgently actions for national reconciliation. A commission for verification and control on security matters and a committee for evaluation and follow-up of political commitments will be created.

The former will be composed of four commissioners representing four nations of well-known impartiality and a Latin American executive secretary proposed by the Contadora Group. It will have at its disposal a team of international inspectors supplied by the member countries of the commission and will be coordinated by a director of operations.

The second body will be composed of five individuals of established competence and impartiality proposed by the Contadora Group and accepted by mutual agreement of the parties.

The implementation of the security commitments involves two stages, as follows:

During the first stage the parties undertake to suspend, after the signing of the document, all purchases of military equipment (except replacements, ammunition, and spare parts) and not to increase their military forces while maximum limits are established on the basis of suggestions from the verification and control commission.

During the second stage, 60 days after the signing, the parties will establish, within 30 days, the maximum limits of types of armament and military forces and installations that each party may have at its disposal.

The peace document provides that no state shall pursue the objective of having its armed forces exert hegemony over the other states taken individually.

They will also abstain from providing political, military, financial, or any other support of any kind to individuals, groups, irregular forces, or armed bands advocating the overthrow or destabilization of other governments. In the political realm, the parties must offer a "true amnesty that will allow their citizens to return fully to political, economic, and social life," and bind themselves to guarantee full respect for human rights.

Regarding elections, they must guarantee the participation of political parties under equal conditions and guarantee access to the mass communications media as well as freedom of association and free speech.

The two commissions will issue periodic reports. While those of the political committee may be eventually released to the press, those of the security commission will be confidential and for the parties involved only.

The implementation and follow-up mechanisms of the document will be financed with a special fund for peace in Central America, to which contributions will be made by the signatory states [estados partes] and any other countries, international organizations, or other sources wishing to contribute.

Any controversy regarding the document must be submitted to the Central American foreign ministers, who will settle them unanimously, or if the controversy persists, to the Contadora foreign ministers.

The document contains another section on economic and social matters, for which a third evaluation and follow-up committee is created.

The final negotiation of the document will begin on 7 October and will last a maximum of 45 days at a place still to be determined.

The parties agreed that any incidents or developments that may occur in the region before that date will not be subject to discussion by the plenipotentiaries and will not affect the holding of their meetings and work.

Details of Negotiations, Plan

FL280322 Mexico City NOTIMEX in Spanish 0115 GMT 28 Sep 85

[By Roberto Gonzalez Perez]

[Text] United Nations, 27 Sep (NOTIMEX) -- The Contadora Group's final draft of the Central American peace charter urgently calls for dialogue between the Sandinist government and the opposition groups (contras), a case which has produced profound differences within the society.

According to the document, it has never been the intention of Mexico, Venezuela, Colombia, or Panama (Contadora Group members) to assume responsibilities that do not belong to them either by law or by the acts accomplished. The above was reported in a document explaining the final draft of the Contadora peace act -- which could be adopted within a maximum of 45 days -- and added that those governments are completing a function of rapprochement and search for unity favoring dialogue and similar interests among the disputing nations.

The document, presented today at the Mexican Foreign Secretariat, indicates that the purpose and diplomatic initiative are still valid in the region. It was confirmed that there existed in the Contadora Group's task a constant preoccupation with preserving the spirit and nature of the negotiations as a rapprochement factor and common meeting group for legitimate national interests of the countries involved. The principal changes introduced in the legal instrument were reported to be:

1 -- An effort was made to correctly express the general agreements in the final draft.

2 -- An effort was also made to be precise in the chapter on reestablishment and preservation of detente and confidence.

3 -- The definition of concepts was refined as well as the international affects in a dominion reserved to the state's domestic competancy.

4 -- A call was made for the urgent promotion of dialogue with the opposition groups which has produced profound differences within the society.

5 -- Emphasis was placed on striking a balance between the initiation of the compromises and the evolution of the agreement with the dynamics of the countries' own realities in mind.

The security chapter stressed several points:

In the first place, an effort was made to maintain the legitimate interests of the nations in the area.

Second, criteria were established to draw the rules for simultaneous application of the compromise, guaranteed by the balance of benefits and disadvantages.

Another important element resulting from the document is the search for a precise balance between those compromises arising from international law and those that are the center of the region's problems.

A formula has also been incorporated to allow for negotiations on topics such as a reasonable balance of forces and the establishment of maximum limits on military development, which requires the immediate establishment of a verification and control mechanism.

It was revealed that the economic and social compromises were the fundamental sources of Central American conflict. The document affirmed that the impact of the economic crisis of the productive sector of Central America is greater each time and the difficult reality of a war economy impedes national projects.

In reference to additional protocol, it calls for the governments with interests and ties in the region to manifest their political conviction to heed and respect the Contadora act. The document ended by saying that it would be desirable for the international community to express its desire to participate in the compromises and mechanisms established by the legal instrument.

## ALFONSIN INCLUDES OFFICERS CLUB AMONG 'ENEMIES'

PY300129 Buenos Aires BUENOS AIRES HERALD in English 29 Sep 85 p 1

[Text] (NA-DYN) Capilla del Senor -- President Raul Alfonsin yesterday warned that "enemies of democracy" were trying to impede progress but declared that the November 3 midterm elections would serve to bury Argentina's foes. "Anti-democratic forces will try to interrupt the progress of the Argentine people," Alfonsin said in a speech to 2,000 well-wishers here yesterday. But he added: "In the next elections together we shall bury these forces which are attempting to destroy the (political) system."

Alfonsin indirectly charged the Armed Forces Officers' Club with being one of the enemies of democracy. The club on September 15 stated that Alfonsin once legally defended members of the Revolutionary Workers Party (PRT), one of whom was the then People's Revolutionary Army (ERP) chief, Roberto Santucho. The enemies of democracy, Alfonsin said in his rebuttal, "will appeal to slander and libel, as in the case where I've been painted to look like Santucho's defence counsel."

The officers' club, in a paid advertisement, also charged that Alfonsin had argued that his PRT defendants "were not delinquents but rather soldiers." But the President also made it clear that the "anti-democratic forces" did not include the country's political parties.

Alfonsin also warned that "now more than ever" Argentines faced one of two paths: "Either the Argentina that we want and should have been, or yet another frustration." The President added that joint efforts, and not miracles, would move the country forward. "The 'magical' Argentina is over," he said. "No one believes anymore in messianic policies, but rather that the country can only be built through participation."

Alfonsin yesterday visited Capilla del Senor, in northern Buenos Aires, to mark the 250th anniversary of the town's founding. Buenos Aires Governor Alejandro Armendariz and other government officials were also present.

In a separate part of his speech, Alfonsin emphasized that the country must "incorporate science and technology." Argentina must bridge "the technological gap that separates us from the group of the most important countries," he said.

## SOURROUILLE REVIEWS PRESIDENTIAL EUROPEAN TOUR

PY261837 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2043 GMT 22 Sep 85

[Text] Buenos Aires, 22 Sep (NA) -- Economy Minister Juan Vital Sourrouille has said that "economic diplomacy" was applied during the presidential tour of Europe and that the important thing "was to take advantage of the evident and growing credibility that the Argentine economic policy enjoys abroad."

While flying back to Argentina, the minister told NOTICIAS ARGENTINAS that "we are slowly achieving our economic reinsertion into the international community." However, he pointed out that "this goal cannot be accomplished during a trip like this, where our top objectives were, in this order, to show our democracy, to show that the political dialogue has been restored, and to put our financial relations with foreign countries in order." Sourrouille said that "the restoration of the government's ability to deal with the internal economic situation" was also important for this trip.

The minister said that "now there is a possibility that our opinion on the international financial situation may be heard and perhaps understood, because there is a serious dispute between our country and the EC over commercial exchange matters and over the operation of the international financial system in the future. We believe changes must be introduced into this system."

"We have to debate these issues and not minor things or possible investments in our country. The beginning of this dialogue, which we will continue, has been an important step," Sourrouille stressed.

As for the results of the trip, the minister said that "in Yugoslavia, our objectives were more political than strictly economic, because it was necessary to make a new evaluation of the action of the 'Group of 77' with an eye toward the future. Nevertheless, we put forward our intention of promoting bilateral trade, which is currently at very low levels, despite the fact that this is a complex matter."

Concerning the commercial relations with Yugoslavia, Sourrouille said that the Argentine Government should make an effort to promote such relations, taking into account that Yugoslavia is a Socialist country. However, he pointed out that "the presence of the business sector was welcomed, because the Argentine industrialists detected possibilities for cooperation with the Yugoslavian economic authorities." The minister pointed out that "considering that the Argentine and the Yugoslavian economies have similar features, the idea of cooperating will be easier to implement through joint undertakings than through the exchange of products."

Concerning the reaction of FRG businessmen toward the Austral Plan, the minister said that "in the FRG there is a thorough understanding of what is happening in Argentina. This is why there is interest in beginning a dialogue and turning ideas into projects, because nowadays an idea takes from 2 and 1/2 to 3 years to become a project and reach the productive stage."

"Considering that a businessman needs to know how the economy will develop over such a period, the discussions with the FRG businessmen focused on the fact that our economic plan, which has been under implementation for only 3 months, cannot guarantee a long-term investment," Sorrouille remarked. In this regard, the minister said: "I cannot say we convinced the FRG businessmen, because that is beyond our control. However, we explained and answered all the questions put to us." Sourrouille said he told FRG businessmen "what I several times stressed here, that is, the need to promote Argentina's integration into the world and to promote trade, particularly our exports. This objective is to be achieved through investments incorporating advanced technology."

The minister reiterated that "today, we cannot compete in all the fields of technological development and we must transfer technology and resources from the more advanced economies. The FRG sees this clearly and it has plans to increase research and engineering activities in other parts of the world." Sourrouille recalled that "the Germans have a tradition in this area, but they can only now see clearly the possibility of establishing in Argentina, not a base of operation, but a subsidiary of operation, as it would be more properly called."

Regarding France, the minister noted that "I do not know if the Austral Plan was received with more enthusiasm there than in Germany because France has economic problems that are similar to ours -- at its own level, of course. But it is very much interested in the plan, in its mechanisms. I, however, did not find much difference between the France or the FRG evaluation of our situation."

Sourrouille pointed out that "one can see in developed countries that one of the pillars of democracy is the responsibility for public management. It is taken for granted there that those who aspire to govern on the basis of a popular mandate should have the authority to later give an account of that mandate." The minister continued that "in Europe, the stability of democracy is associated with responsible management of government, and I believe that the modifications of economic policy are viewed from the standpoint of a government that is gradually improving that management." The minister said that Europe and the United States have "always found it difficult to understand why it is harder to manage the economy under a democracy than under some authoritarian regimes. This has been the drama of our history that has shaped the country's image: Authoritarian regimes can manage the economy better than democratic governments."

Asked if any "concrete business deals" were proposed to Argentina during President Alfonsin's trip, Sourrouille replied: "We did not go to do business, because the government concerns itself with discussion of political aspects of its administration, including its economic policy. The government itself cannot do business, only politics; business is left to the businessmen here with the businessmen there." Sourrouille said that one of the most important aspects of the trip was the opportunity to sort out the role of the different social and institutional sectors, considering that "the role of the president is to conduct relations, in the broadest sense, with all countries, and the economy minister's is to discuss economic problems, both domestic and international."

The minister recognized that both in the FRG and France, concern was expressed about price control, although it was recognized that the emergency situation of the Argentine economy may have justified it."

"In Europe," the minister said, "there is some concern about the possibility of an inflationary flare-up in our country, but thanks to the measures that have been implemented, we believe there is a reasonable possibility that there will not be a flare-up. Although after a decade of three-digit inflation, some anxiety over the possibility of high inflation is understandable." The minister continued that "on the question of stability, we have already crossed the point of no return, and soon the risk of hyperinflation will have been left behind because there is no no economic reason for that kind of inflation except political chaos." As for the salary policy and the demand by labor leaders that it be modified, the minister said there would be no change.

Asked about the labor demands, Sourrouille admitted that "from a more general standpoint I am concerned about the problem of assuring society's well-being because this problem has been getting worse after years of frustration. However, it is obvious that above and beyond passing events and political phenomena, the country has experienced a true change and conditions for a different society are being created."

INCENDIARY BOMB DESTROYS LAWYERS' OFFICES

PY262357 Buenos Aires Domestic Service in Spanish 1600 GMT 26 Sep 85

[Text] The offices of lawyers Luis Roberto Aguirre and Jose Antonio Pereira, which are located in the southern district in Santa Fe, were completely destroyed by an incendiary bomb. Police sources have reported that the attack was perpetrated shortly after 0800 and that the furniture and other items were completely destroyed by the bomb. Firemen had to intervene to extinguish the fire.

## COB SEEKS DIALOGUE LIFTING OF STATE OF SIEGE

PY272301 Madrid EFE in Spanish 1511 GMT 27 Sep 85

[Text] La Paz, 27 Sep (EFE) -- The Bolivian Labor Federation [COB] is doing its best to make the government lift the state of siege and engage in a formal dialogue with the workers. On 26 September the COB stepped up its pressure after initial contacts with the ruling party designed to pave the way for dialogue failed to satisfy the organization, according to one of COB's leaders Angel Zaballa. In the light of this situation the COB decided to issue a public ultimatum for the government to lift the state of siege, offering in exchange to discontinue the hunger strike and the national stoppage that is mainly affecting mining activities, the country's foremost source of foreign currency. At a secret press conference, the COB announced that three members of its executive board have joined the 7,000 workers, students, and housewives who are now participating in the hunger strike that began on 16 September. However, unlike the rest of the hunger strikers, COB leaders Edgardo Vasquez, Demetrio Barrientos, and Victor Morales opted for dry fasting, which means that they will neither eat nor drink.

Interior Minister Fernando Barthelemy has stated that the government is willing to engage in a dialogue with the COB but warned that it will not accept the sharing of power or the COB's pretensions of becoming another branch of the state. The Bolivian Episcopal Conference urged both workers and government to find, as soon as possible, some way to begin a dialogue and voiced its sadness over the suffering of the Bolivian people, after paying a visit to the mines where thousands of hunger strikers are gathered. COB's quest for dialogue has been prompted by the Congress' impending approval of the state of siege that has been in effect since 19 September. Under state of siege powers the government arrested union leaders, fired them and banished them to faraway places.

Congress was unable to meet on Thursday due to lack of a quorum and the session at which the state of siege will be approved was adjourned until 30 September.

### Barthelemy Responds

PY282032 La Paz Cadena Panamericana in Spanish 1700 GMT 28 Sep 85

[Text] Countering reports made in the past few hours which stated that a dialogue between the government and COB sectors was imminent, Interior Minister Fernando Barthelemy stated that the government will not hold any negotiations under pressure nor will it lift the state of siege. In the past few hours, the (?leaders) of the workers stated their willingness to hold talks to lift the harmful mineworkers strike, under certain conditions [words indistinct] to lift the state of siege and to lift the [word indistinct] on the COB leaders currently confined in tropical areas. Upon denying these reports, the interior minister firmly reasserted the stand of the government of Dr Victor Estenssoro of not holding talks under pressure. Barthelemy went even further [word indistinct] so that the government is forced to resort to the state of siege. Asked about statements made by Simon Reyes, a deputy and mineworkers leader who said that talks between the government and the mineworkers sector had [word indistinct], the interior minister simply stated that he was unaware of those statements.

Barthelemy showed his willingness to guarantee the holding of a mineworkers meeting somewhere in Bolivia so that the rank and file workers especially [words indistinct] and make a responsible decision on the measure they are still implementing. In conclusion, the interior minister stated that the situation throughout the country is normal.

PRESIDENT ON FOREIGN DEBT, ECONOMIC GROWTH

PY271259 Rio de Janeiro O GLOBO in Portuguese 26 Sep 85 p 19

["Excerpts" of interview with President Jose Sarney by Brazilian journalists in New York -- date not given]

[Text] Sao Paulo Radio Gazeta -- It would be only natural that the first thing I ask you is to pass the results of your trip so far. I would like to know if the Brazilian Government already has a strategy to seek closer political and economic relations with other international partners so as to give us more political weight in dealing with our international creditors.

Sarney -- in the first place, I want to thank all of you accompanying me for the coverage given this trip. I believe that assessing this trip would be like assessing an isolated fact of limited importance. It would be better to say that on this trip we are taking one step further the proposal that the Brazilian Government should occupy its rightful place on the international stage. This proposal does not seek hegemony, but rather it seeks that the country be heard and that it not be a victim of decisions made abroad. Brazil wishes to have a dynamic, effective participation in international politics. To this end, the nation's president had an opportunity at the United Nations to set forth some ideas. And I had the satisfaction of verifying that those ideas are not only ours, but in some way are shared by a considerable number of nations. We will continue pressing this proposal forward, so that the country will increasingly affirm its international presence and defend its interests. Our priority is Latin America, which is closer to us. To say that Latin America is our sister while turning our back on it is a Brazilian attitude that must be changed. Our problems and hopes are the same. Considering the world's current situation, the great international crisis is located in Latin America and we have to be solidary. This solidarity should inevitably and naturally incline us toward Latin America.

FOLHA DE SAO PAULO -- I would like your opinion on the possibility that the capitalization of interests can be one of the bases for renegotiating our foreign debt and your opinion on the form that capitalization may take.

Sarney -- Brazil's thesis was that we should break with dogmatism in international organizations regarding the handling of the foreign debt. As I had the opportunity to say, Brazil has proposals to make, but it can only make them after negotiations are opened. We can see with great satisfaction that the Brazilian positions are gaining ground, and it is difficult today to find someone who thinks the foreign debt problem should be handled in purely financial terms, based on orthodox theses. We all know today that the foreign debt has other aspects, and these other aspects were pointed out by Brazil, which, from the beginning, refused to accept recessionary formulas.

Radio Guaiba -- You have brought along leaders from almost all Brazilian political parties on this trip to New York. Brazil is paving the way for renegotiating its foreign debt. What participation will Congress have henceforth in the formulation of proposals to our creditors?

Sarney -- We Brazilians tend to be divided over many questions. But if there is one question on which Brazilians are united, that question refers to the solution to the foreign debt problem. Obviously, the Brazilian Congress will have a decisive role in providing support for the government in handling the problem. I am here in the company of leaders of all parties to demonstrate the maturity with which Brazil attends to its interests, rising above partisan differences and attesting to the fact that politics is not an affair among enemies.

We have been adversaries many times, we have had differences, but the national interest is our common ground, where we will be united when Brazil has to set forth its positions internationally.

Iobo Television -- Citibank Vice President William Rhodes, who coordinates our foreign debt, said yesterday that you had thanked him for what the banks are doing for Brazil. Another banker said he had never received a plan, a proposal from the Brazilian Government. Is that method of discussing the foreign debt in the United Nations better than debating a proposal with the bankers or with the U.S. Government? Does in fact the government have a plan?

Sarney -- In the first place, I do not recall having complimented, in the middle of the crowd I greeted, the Citicorp [as published] executive for his help in conducting the debt negotiations. The debt has broader and deeper aspects than a simple negotiations with bankers: The debt was waiting for me when I became President, and I have said that it was not one of the nicer problems I inherited. We consider that the debt has two aspects: the financial and the political. The financial aspect refers to the technical mechanisms handled by the banks. But the political aspect, which is more important, has to be handled by the nation's president, who is responsible for the country's destiny. I have nothing to do with the technical aspect, but the political aspect is my responsibility. I will handle it as I have, looking after the country's interests.

JORNAL DO BRASIL -- Mr President, I would like to know how your government will reconcile economic growth with readjustment of the economy?

Sarney -- First, I believe that without economic growth, there is no solution for any of our problems. At the beginning, Brazil stood alone on this thesis but today it has the understanding of large international circles. Mr. Shultz (U.S. secretary of state) has said that he read in the papers that without economic growth, Brazil would not be in a position to solve its problems and pay its foreign debt. Brazil has demonstrated that economic growth is not incompatible with economic readjustment. Brazil has not become the eighth world economic power via recession, but by economic growth and the creative capacity of Brazilians. With this result, Brazil is an example that a country can grow while making economic adjustments.

O ESTADO DE SAO PAULO -- On all occasions when the industrialized countries have met, most recently last Sunday, they have unequivocally expressed that the foreign debt problem is to be solved through a conventional strategy. The last communique refers to their debt and proposes, once again, that the solution be found through increased international trade, reduced interest rates, and expanded loans, all to be achieved through an adjustment effort. Yet, you have just revealed that you have reason to be optimistic about the acceptance of your proposal. Do you know something we don't know?

Sarney -- I believe the declarations that have been published around the world show that there is a change in position regarding the handling of the foreign debt. This is obvious. Since we expressed our position of resistence, persistently denouncing the injustice of the model, we have seen those positions change. This can above all be credited to Brazil's weight as the eighth world economic power whose position has to be heard and considered. It is obvious that the orthodox formula proposed for all countries has not solved the foreign debt problem. On the contrary, it has just made it worse. In this sense, the last declaration by the ministers of the developed nations reaffirming that orthodoxy in the Bonn declaration is disappointing. Paradoxically, at a time when they are preaching that the solution is free trade and that countries have the right to expand their exports in order to pay their debt, we are witnessing a protectionist move in the developed countries.

How can we expand our international trade and pay our debt when the developed countries, which are the biggest markets, are raising barriers to the expansion of trade from the developing countries?

JORNAL DE BRASILIA -- You spoke about protectionism and on that subject I want to ask if your government is prepared for an eventual retaliation by developed countries by increasing protectionism, and also for an eventual scarcity of interbank credit.

Sarney -- We Brazilians should be increasingly aware of the importance of our country. I believe that it would be senseless for the world to retaliate against Brazil. The country is not at this time all that vulnerable to this type of sanctions. Our potential is such that any type of sanction is not advisable. The move toward protectionism is in fact a shortsighted view of world problems. The need to expand international trade does not conform to that type of restriction. Regarding our computer market policy, Brazil is protected by an international organization, the GATT, which stands behind countries with nascent industries which must be developed. A country like Brazil cannot renounce its strong presence in the international computer market. This we will never do or accept. So, I believe that in this regard, our position is safe and firm. We are backed by law dictated by Congress and we cannot negotiate with the sovereignty of Congress.

O GLOBO -- Mr President, considering your just-confirmed optimism about the political negotiation of the foreign debt, I would like to know what will be the directive and priority task you will give your economic team upon your return to Brazil, taking into account the signals that political negotiation is viable? And if I may ask, how do you evaluate the U.S. attitude in that regard after your meeting with Secretary of State George Shultz?

Sarney -- The position of our economic team does not have to change. We have been coherent with the thesis we defend: economic growth, no recession, and rejection of imposition or adjustment that might mean an unbearable sacrifice for the country. This has always been our line. However, I could not bring up this thesis in my talk with Secretary of State Shultz to gain his support for it because the talk was part of a courtesy visit. And before we met, I received from him a letter congratulating me for my speech at the United Nations and expressing agreement with some of the points I raised in that speech. On the other hand, it is obvious and clear that we today find here in the United States a different atmosphere regarding the foreign debt. The position that wihout economic growth there can be no solution for the foreign debt is new, because the formula we were offered was no growth, total adjustment of the economy, and creation of foreign trade surplus in order to pay the foreign debt.

There is an obvious change in all sectors and it is public to some extent. But this does not mean there is an opening in negotiations, because the foreign debt problem has great implications. But we are walking firmly, step by step, with determination, to bring the problem to the negotiation table, which does not just involve Secretary of State Shultz but also international organizations, bankers, the world community, if we may say so.

MANCHETE magazine -- Mr President, you held two important meetings this morning with the prime minister of Poland and the Soviet foreign minister. Could you reveal the issues discussed in those meetings?

Sarney -- They were diplomatic visits that were not necessarily to the Brazilian president, personally. They were visits to Brazil, demonstrating our country's importance and the great powers' need to exchange opinions with Brazil, to learn about Brazil's viewpoints. We talked about several topics which are today offered for reflection by those who have responsibility, especially because Brazil wants to participate in the solutions.

As I said, we do not want to continue as victims of decisions made abroad, but we want to participate in solutions in the international arena. We want to be heard. This is Brazil's position. We need more and more contacts, we have to discuss international issues, especially because Brazil is one of the pillars of world politics in Latin America. Brazil's destabilization will mean a destabilization of international politics. This position, which Brazil has the right to hold, is being treated with respect.

Brasil Sul Network -- I go back to the question of economic growth because you have defined it as the only alternative to solve the crisis in which the country is immersed. Here in New York you reiterated that private enterprise will be the basis of that growth because private enterprise is also a pillar of democracy. In the talk with George Shultz, he may have suggested that Brazil take advantage of its potential by calling in risk capital and not asking for loans. I ask you: Will Brazil implement a specific policy to give incentives to private enterprise and to attract foreign capital as risk investments?

Sarney -- No. Mr Shultz did not make any suggestion during the talk. Had he done so, the president of Brazil would not have accepted the suggestion because it is up to us in the exercise of our sovereignty and independence to decide what road we will take. The road of growth through private initiative is obvious. At this time, the state has a very large participation in the economy, and if we are going to grow because of state economy, we will soon be placing all the economy in the hands of the state. So we must grow in the area of private enterprise because, as I have said -- and I have said many times in Brazil and it is a conviction of all of us, including the Democratic Alliance [the party coalition supporting the government] everywhere private enterprise has collapsed, freedom has also collapsed. Today, Brazil has a great commitment to the rebirth of democratic institutions, the consolidation of civilian power, and the consolidation of democracy, which has repercussions throughout the continent because of our position in it. If we were to restrict economic freedom, we would also be curbing political freedom. We have had a foreign capital law in Brazil for some time, which has proved to be beneficial to the country's interests and to the interests of those who want to invest in Brazil. What has happened is that in times of prosperity, foreign capital assumed the role of risk capital, and at a time of recession, it withdrew, therefore not participating in periods of difficulty.

## GUIMARAES DECLINES SOCIAL PACT POSITION

PY281506 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Sep 85

[Text] Once again, President Jose Sarney yesterday invited Deputy Ulysses Guimaraes, the PMDB [Brazilian Democratic Movement Party] president, to take over the post of coordinator of the social pact and once again Guimaraes turned down the invitation. It was not possible to hear [words indistinct] and Guimaraes side-stepped it stating that this time he is satisfied with merely being a collaborator.

## VARIG RESUMES FLIGHTS TO MEXICO; AID SENT

PY261532 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 26 Sep 85

[Text] Varig's first commercial flight to Mexico after the earthquake left Sao Paulo yesterday with stops in Rio, Manaus, and Bogota.

At 1800 today, two Brazilian Air Force airplanes leave Rio to go to Mexico. On board is an entire hospital and Army and Air Force demolition groups. The groups will stay in Mexico for as long as necessary.

PINOCHET DISCUSSES SUBVERSION, ARMED FORCES

PY291930 Santiago EL MERCURIO in Spanish 22 Sep 85 D 1

[Report on interview by President Augusto Pinochet with reporter Blanca Arthur, date and place not given]

[Excerpts] Don't ask me anything else, the president told us when we went to his office to pick up the written replies to the questions we had previously submitted to him. President Pinochet was not willing to talk about his contingent policy since his view on this matter is based completely on his commitment to defeat communism as promised when assuming power. A brief and informal conversation with him revealed a soldier willing to continue his struggle to comply with what he believes is the imperative demand of the people when they requested the intervention of the Armed Forces on that 11 September.

[Arthur] In 1973 the Armed Forces took power to defeat Marxism, and since then that date has been commemorated as the anniversary of the second national independence. Given the enemy's characteristics then, how would you define that war?

[Pinochet] You said that the Armed Forces are the only ones to commemorate 11 September as a second independence day; that is a mistake. The immense majority of Chileans commemorate it as our independence from communism. Whatever its ideology, the majority is well aware of the significance of 11 September. Rather than a war, the events of 11 September actually were the joint actions of the Armed Forces and the forces of order following the will of all citizens in face of the Marxist aggression that was threatening the existence of our country. Therefore, it is more appropriate to define that action as a military expression reflecting the feeling of the majority of the people who themselves were not able to fight the communist purpose of turning this country into a Soviet satellite.

[Arthur] To what point was victory gained, considering that you have repeatedly said that Marxism does not stop struggling? How do you think the struggle against Marxism should continue?

[Pinochet] Once we attained our objective of rescuing the country from the disintegration process sponsored by Marxism and once the danger of a civil war, to which we were being pushed by a communist strategy, was over, the government publicly proclaimed its principles and objectives that were more far reaching than just carrying out an anti-Marxist struggle and that envisaged beginning our reconstruction and this institutional process. The great loser of the 11 September events was communism and the Soviet strategy. However, we could not just limit ourselves to only that action; we had to make sure that the country would not live through that fratidical experience again. Therefore we began our long and complex task, which cannot be qualified as a war because it actually is a political, social, and economic project. This project was initiated within a freedom that will allow room for democracy which is the only way to bring economic and social progress as well as security and stability to the nation.

[Arthur] It has been pointed out by many people that the antisubversive struggle that followed 1973 was inspired by the so-called national security doctrine which is based on the belief that one is undergoing a total war in which the countries are struggling for their survival in face of the East-West conflict. What do you think about this?

[Pinochet] It is the duty of the state to guarantee order and stability, to ensure our survival and sovereignty in freedom, as well as to overcome the threats against national objectives, such as the full development of an individual. That is what national security basically means.

When subversion is expressed in the form of confrontations and a generalized disorder worsened by totalitarian Marxist objectives, it clearly represents a threat to national strategy, consequently forcing the authorities to react against it following legal and constitutional rules. However, the manner in which each country should fight subversion is different because there are cases that vary considerably. For example, in the case of Chile subversive action has been particularly aggressive because of Communist persistence which forced us to adopt a permanent attitude of being on guard.

[Arthur] Some of the creators of the national security doctrine say that the terrorists are the new soldiers of the antisubversive war and, unlike a conventional war, which is fought with weapons, the antisubversive war is fought by means of torture to gain information to defeat the enemy organization. What do you think of this?

[Pinochet] I must tell you that a terrorist is a criminal and not a soldier, so therefore there is no room for comparisons. No recognized national security concept encompasses the legal practice of torture as an antisubversive method. The antisubversive action that is being carried out follows our national legislation.

[Arthur] If in a conventional war it is legal to kill, what is legal when fighting the communist enemy?

[Pinochet] You mean when communism acts as an armed group, in an unconventional war? In this case the defense conducted by the authorities and the forces of safety are legal as long as they are carried out within a legal framework.

[Arthur] How are human rights compatible with the mission of defeating communism?

[Pinochet] One of the tools used by communism to gain its objectives is subversion. Subversion does not respect human rights. To guarantee the proper exercise and viability of human rights we must defeat subversion. When halting subversion we are guaranteeing all members of society the possibility to develop freely without having individuals, families, property, or rights threatened. Defeating subversion is a moral responsibility for the authorities, because it is our duty to maintain the validity of and respect for the law. If we do not act with determination, all society is at the risk of living in disorder and danger. This is why responsibility is a fundamental aspect for those who have the power of applying the law.

[Arthur] Is there a time limit for putting an end to the antisubversive fight?

[Pinochet] It must not be forgotten that in the actions of subversion there are no limits except those of the Marxist "moral" which is well expressed in Lenin's thought: "Whatever helps the revolution is good; whatever does not help the revolution is bad." Instead, we have the moral limits that come from our Christian formation, values, and cultural inheritance. This means that the possibilities to fight subversion should of course be subject to legal methods. We have always acted consistently in this aspect; whenever an excess has been found, those responsible for it have been punished.

[Arthur] Will Chile reduce its defense expenditures as proposed by Peruvian President Alan Garcia, and considering that we have signed a peace treaty with Argentina? Is it not meaningful that the greatest expenditures are being made in the national Army and the Carabineros forces in name of the internal war?

[Pinochet] President Alan Garcia's call to reduce and freeze military expenditures coincides with what is established in the peace treaty with Argentina.

This is a doubtlessly favorable factor that has influenced our decision to support this initiative. However, since the success of this initiative does not depend solely on the position of our three countries, each of which has a different reality, Chile has stated that our cooperation in this initiative is subject to the positions of the rest of the countries of the region on the same subject. Let me tell you that the Army and the Carabineros expenditures for fighting terrorism and subversion are irrelevant if compared to the amount that should be spent in a defense budget in the case of a conflict with any of our neighbors.

[Arthur] In recent years you have put a great deal of emphasis on economic freedom while many individual freedoms have been suspended. Do you evaluate them in different manners? How can one influence the other?

[Pinochet] Freedom for the individual has a deep meaning for the government. It is not in vain that Article I of the Constitution says: "Men are born free and equal in dignity and rights." Unfortunately, freedom was interpreted in our country, throughout a slow process that lasted decades, as a concept restricted to the possibility of voting in a political election. Freedom of work used to be restricted to the need of having special permissions that sometimes were technically unnecessary, but which forced one to belong to a certain political party. The freedom to choose an education for children was increasingly becoming restricted to a single state option; don't forget that it was even proposed to create a unified national school. The freedom to choose to belong to a retirement system to help aged persons did not exist. In all, it could be said that freedom in the cultural, social, and economic fields was a diminished value in comparison to political freedom. Since its beginning the government has sponsored transformations to make the individual freedom become a reality because we are aware that a really free country allows its inhabitants to decide according their preferences in all aspects of daily life. Nonetheless, making progress for freedom, in its broadest meaning, is not easy. Therefore we have undertaken a gradual transformation in which the first improvements were made in the fields of individual and economic freedoms. The second stage was that of modernization in which greater freedom was permitted in social and cultural fields. Now we are in a final stage preparing the laws to complement the 1980 Constitution. This mentioned process of transformation which was forced to restrict certain political freedoms for the common good was indispensable in order to allow the country to benefit from a broader and more realistic freedom and not just a formal one for the future.

[Arthur] Would you say that the Armed Forces are satisfied with the work they performed during these years in government and that they will be able to leave power with the same respect with which they began?

[Pinochet] One is satisfied with one's work when one is aware of having acted correctly, this is, with faithfulness in the essential principle and clear objectives. The Armed Forces and the forces of order intervened for an imperative moral reason: They were inspired by their duty to defend the historic and cultural identity of the country. The Armed Forces made a public declaration of principles defining an ideal that faithfully represented the national being, and they have acted accordingly. We are also satisfied when we evaluate the results. I do not want to point out the social progress, the economic achievements, or the benefits from the institutional process. I will only point out to you our first, great achievement of freeing the country from a collectivization process that threatened to turn Chile into the Cuba of Latin America. That is the initial point, and by that achievement alone the Armed Forces can look their fellow countrymen in the face and be worthy of their respect. If today democracy and freedom are being discussed and the political groups are considering different formulas and even propose dubious democratic projects, it is because Chile is a free country that is constructing a democratic institutional system.

It owes this to 11 September 1973. As far as I know, Cuba, Nicaragua, Afghanistan, or any other country that have fallen under a communist dictatorship are undergoing an institutional process that clearly and objectively tries to establish an authentic democracy. That is the unquestionable merit of the Armed Forces and the forces of order. The vast majority of our people, beyond any slogans or ideologies, admits this.

[Arthur] After 12 years in the government, do you feel closer or more distant from the civilian authority [civilidad] that prompted the Armed Forces to seize power?

[Pinochet] I never felt that the Armed Forces could be detached from the civilian authority or be foreign to it. Furthermore, the Armed Forces are the organization that the nation has established to defend the nation's territorial integrity, to protect its sovereignty, and to safeguard its historical-cultural identity. Thus, the Armed Forces are the people themselves and they constitute the most faithful expression of the people's values and traditions. I have proven this concept over the years I have been running the country. On 11 September 1973 we interpreted, as no other group or political party has done in the past, our fellow countrymen's sentiment. In addition, over the past years, we have received categorical expressions of support and confidence, something which has led some people to implement the darkest and most sophisticated strategies seeking to destabilize us. In sum, based on a confiction prompted by experience, today I continue thinking that the Armed Forces, the forces of order, and our people constitute a basic unity, beyond any differences and nuances, which is the most solid guarantee for the nation's stability. Therefore, as Army commander in chief, I feel as close as in the past, and even closer, to all those fellow countrymen who joined us in defeating the nefarious regime of the wrongly labeled Popular Unity.

[Arthur] The Armed Forces have always been subordinate to the executive branch [poder politico]; however, the 1980 Constitution gives them more participation in tasks they did not have in the past. What kind of cooperation must they render and what must be their relationship with the executive branch in the future?

[Pinochet] It only takes a brief review of the new Constitution's text to grasp that the subordination of the forces for the National Defense to the executive branch has not been altered. The president of the Republic is the commander in chief of the Armed Forces. To the above-mentioned facts we must add the natural subordination of the national defense to the constitutional provisions ruling it as well as to those regulations governing all its actions. It is true that the 1980 Constitution assigns important roles to the forces for the National Defense, providing them with the legal means to voice their opinions before the authorities and the citizenry. Under the Constitution, the Armed Forces, the forces of order and of public security will participate, through their command structures, in preserving the institutions and the economic, social, and cultural progress of the nation, in addition to the role which historically and traditionally has been entrusted to them.

[Arthur] Doesn't your participation in organizations such as the National Security Council keep you away from your traditional functions, at the risk of politicizing them?

[Pinochet] The constitutional provisions in this regard demand the unity of the National Defense Institutions and the preservation of their professionalism and nonpolitical status. These two aspects are necessary for the solid unity of the Armed Forces, an essential requirement for national security. From this point of view, the role given to the National Security Council implies that cooperation must exist between the executive, legislative, and judicial branches and that the Armed Forces protect the democratic institutions as a whole.

Moreover, it must also be taken into account that the power to give direct orders to the public forces, which the Constitution bestowed upon the courts, allows more effective action by the judicial branch, guaranteeing a state of law in Chile. In the past, the Armed Forces have not participated in any activity involving the development of the community, being mere spectators of regional events, a situation which is totally incongruous with their potentials. They should be used for the good of the citizens. Thus, the Constitution foresees the Armed Forces' role as participants in society, giving them the natural and legal means which, logically, they should have always had. The Armed Forces cannot be kept away from society. The cooperation they must provide to the community and their relations with the civilian authorities in the future, therefore, will be closer, so that together civilians and military will achieve the objectives that will turn Chile into a great nation.

ARMS FREEZE POSSIBLE TOPIC IN TALKS WITH PERU

PY281635 Paris AFP in Spanish 0245 GMT 28 Sep 85

[Text] Santiago, 27 Sep (AFP) -- The Chilean Foreign Ministry reported in Santiago today that the Chilean and Peruvian foreign ministers might discuss a possible freeze of arms purchases when they meet in November in Arica, near the Peruvian-Chilean border. Chilean Foreign Minister Jaime del Valle and his Peruvian counterpart will also review bilateral matters related to the 1929 border treaty. Pablo Valdes, Chilean Foreign Ministry spokesman, did not specify the date of the meeting which will last 3 days in that city 2,100 km north of Santiago.

President Augusto Pinochet stated in mid-August that his administration would support the call by Peruvian President Alan Garcia to cut down on the purchasing of military equipment.

JUDGE ISSUES WARRANTS FOR 79 OPPOSITION LEADERS

PY271925 Paris AFP in Spanish 1602 GMT 27 Sep 85

[Text] Santiago, 27 Sep (AFP) -- A civil court judge has approved a petition filed by the Chilean military government and has ordered that 79 opposition leaders be arrested, attorneys for the opposition leaders reported today. The first arrests took place in Santiago early this morning and affected, among others, three leaders of the teachers union. One of the vice presidents of the Federation of Catholic University Students (FEUC) was also arrested, the sources stated.

The arrests were made by agents of the investigative police, who showed warrants issued by Judge Sergio Valenzuela, a member of the Santiago Apellate Court. Valenzuela is hearing a subversion case against 88 members of the opposition, who were officially charged with instigating antigovernment demonstrations. During these demonstrations, the repression claimed the lives of 10 civilians on 4 and 5 September.

On 25 and 26 September, the judge ordered the imprisonment of union leaders Rodolfo Seguel, Manuel Bustos, and Jose Ruiz de Giorgio, the top leaders of the National Workers Command (CNT), who led the call to stage popular protests against General Pinochet [as received]. In addition, the judge banned six other dissidents from leaving Santiago, including former Deputy Maria Maluenda and her husband, actor Roberto Parada, the parents of a sociologist who was kidnapped and had his throat slit, along with two other communists, in a case involving policemen. Among the other people indicted by Valenzuela are independent, centrist, and leftist union leaders, professional associations leaders, leader of the human rights commission, leaders of neighborhood and social organizations, and Catholic priest Rafael Maroto.

NEW FINANCE MINISTER TAKES OFFICE, VIEWS ECONOMY

PA271937 Bogota Television Service in Spanish 1730 GMT 27 Sep 85

[Text] Hugo Palacios Mejia, the new finance minister, said today upon assuming office in the presence of President Belisario Betancur that even though not all adjustment goals have been attained he hopes to achieve a balanced exchange rate before the year's end, which will make it possible to lift many of the administrative restrictions that had to be established to avoid an exchange crisis.

Palacios said that the fiscal deficit has been reduced this year and is expected to be further reduced next year. He said that with help from the National Congress the country will have a shock-free 1986 and that this will allow the new administration to begin implementing its programs in an organized manner. Finally, he noted that resources must be devoted to production activities in order to promote economic development.

JUSTICES THREATENED ON EXTRADITION TREATY ISSUE

PA270203 Bogota Television Service in Spanish 1750 GMT 24 Sep 85

[Hernando Martinez report]

[Text] The 24 jsutices of Colombian's highest court, the Supreme Court of Justice, this morning declared that they are on a state of alert because of the constant death threats they've received in an attempt to force them to rule in favor of annulling the extradition treaty.

The jsutices' telephone calls are being interrupted with a recording telling them that they might share the fate of former Minister Rodrigo Lara Bonilla, former Justice (Tulio Castro Gil), or (Alcides Arizmendi), the recently assassinated warden of La Picota prison. Other threats consist of the announcement that the justices' wives or small children will be murdered or kidnapped.

However, this alarming situation cannot change the court's doctrine regarding international treaties. Since 1914, when a suit was filed against the international treaty providing for the separation of Panama and the construction of the interoceanic canal, the Colombian Supreme Court of Justice has disqualified itself from ruling on the legality of international treaties like the extradition treaty, which was agreed upon by the Turbay Anala Administration and developed by the present administration in the wake of the murder of Rodrigo Lara Bonilla.

From 1984 to the present, the court has ruled on four appeals against extradition, and in each case, it has ruled according to its traditional doctrine. Nevertheless, three other suits have now been filed with the court, and like the others, they call for the extradition treaty to be annulled. Such an annulment can be decreed only by the president of the republic, who is empowered by the Constitution to direct the country's international relations. The National Security Council today decreed extreme, and therefore, secret measures to protect the justices' lives.

MINISTER ASKS UN TO ASSUME NEW POLITICAL ROLE

PY281516 Lima Cadena Panamerican Television in Spanish 0300 GMT 28 Sep 85

[Text] Peru proposed today at the United Nations that the international organization assume a new political role to offset what Foreign Minister Allan Wagner called a sort of gangrene corroding the international system.

Speaking on behalf of our country, Wagner said the United Nations of 1985 cannot endure only as an overgrown and sluggish monument lacking real political will. He added that the new political role which we ask for should recognize the sovereign and constructive role which unavoidably belongs to the countries that make up the so-called developing world.

The Peruvian foreign minister spoke for 20 minutes to the Security Council. In his speech, he made a frank analysis of UN security functions, asserting that the United Nations' main organs suffer from serious paralysis. Wagner added that this fact is reflected in the inflated verbalism of the General Assembly and a compulsory inhibition, which is not the same as prudence, in political problems.

WAGNER REPLIES TO CUBAN MINISTER'S ACCUSATIONS

PY281711 Lima Cadena Panamericana Television in Spanish 0300 GMT 28 Sep 85

[Text] Today, we can offer a speech given by Foreign Minister Allan Wagner at the United Nations 2 days ago in response to a reference to Peru made by Cuban Foreign Minister Isidoro Malmierca. Let us listen to what the Cuban Malmierca said and what our foreign minister replied:

[Begin Malmierca recording] Mr President, at this time, when the unity of Latin America and the Caribbean is more urgent and necessary than ever, more important than ideologies and concepts which might be antagonistic regarding some problems, to face tremendous and oppressing problems, it is regrettable that a voice should be heard in this assembly repeating in Latin American words the trivial calumnies, the already corrupt arguments coined in Washington, with the intention of confusing the irrefutable indications of the only possible solutions given by those who, for a quarter of a century, have known how to resist, with singular firmness and heroism, the blockade, military aggression, economic encirclement, efforts to isolate them politically, and who have practiced an authentic internationalism everywhere in the world. It is regrettable, because we know what consulations for capitulation have given rise to these infamous insinuations in the belief that the empire will thus pardon a lukewarm and belated rebellion. It is regrettable, because it confirms that what has been stridently presented as a radical and realistic solution will only be a tithe with which it is intended to perpetuate dependency, blocking the way for the only worthy, moral, deep, and true solution. [end recording]

This is the reply:

[Begin Wagner recording] Thank you, Mr President. This afternoon, a delegation has referred with strident rhetoric to a person who, from a position opposed to all imperialism and based on the legitimate expression of popular will, has refuted the unjust international order, without giving up independence to any hegemonism.

It is regrettable that in a vain attempt to defend a thesis that was rejected at the recent ministerial conference of nonaligned countries, recourse should be made to the distorted means of insinuating that a clear and sovereign position regarding the foreign debt, a position endorsed by over 100 countries in Luanda, is the restult of consultations leading to capitulation. Tithes are paid only when sovereignty is surrendered. The road Latin America has chosen toward democracy is not obsolete. The choice of freedom and social justice is unwavering in our Latin American continent. All Latin Americans should be the redeemers of Latin American unity and autonomy, if we wish to be true anti-imperialists. [end recording]

Legislators React

PY261649 Lima Televisora Lima in Spanish 0400 GMT 27 Sep 85

[Excerpts] Cuba has reacted angrily to Peru because of the new leadership that has developed in Latin America, as evidenced by President Alan Garcia in his address to the United Nations. We have asked several Peruvian congressmen for their opinions on this subject.

[Begin recording] [Reporter] Senator Silva Ruete, what consequences could Cuban Foreign Minister Malmierca's attacks against the Peruvian position on the foreign debt have for us?

[Senator Javier Silva Ruete from the American Popular Revolutionary Alliance (APRA) party] I think that Malmierca did not realize he was speaking at the United Nations, where another sort of language should be used. He has expressed a totalitarian mentality because he has insulted someone who does not agree with him. We did not follow the instructions of any power; we simply expressed our national and sovereign position because we believe that is the best way to construct a Latin American position.

[Senator Enrique Bernales from the United Left] I think he did not read our president's speech very well because President Garcia did not attack the Cuban president or Cuba, with which we have a long tradition of friendship and with which we share Latin American identity. I think that we should react not passionately but calmly, because a disagreement of this sort would not favor Peru or Cuba; on the contrary, it would weaken us before our common enemy, imperialism.

[Senator Enrique Chirino Soto, independent] Cuba tried to assume a highly visible position contrary to President Garcia's position. The Cuban position can be expressed in a few words. Fidel Castro says: I do not feel like paying the foreign debt and I do not want the Latin American countries to pay their debt. Instead, President Alan Garcia says: I want to pay the debt, but I cannot pay under the current conditions. So this is a rather spectacular challenge from Cuba. However, I do not think it will have adverse consequences for Peru because Fidel Castro belongs to another political orbit, he is an old dictator, and his influence over Latin America cannot be compared with that of a young, duly elected president with a good image. [end recording]

MINISTER REPORTS ON TALKS WITH U.S. AUTHORITIES

PY271545 Lima Radio del Pacifico in Spanish 1300 GMT 27 Sep 85

[Text] Prime Minister Luis Alva Castro has reported in a press conference that the U.S. vice president has offered to continue U.S. aid programs to the Peruvian social and economic development projects, and that the international creditor banks have accepted the possibility of renegotiating the Peruvian foreign debt without IMF participation.

Minister Alva Castro made these statements while discussing the results of his talks with representatives of the U.S. Government and the international creditor banks.

The prime minister said that immediately after President Alan Garcia's speech at the United Nations, he met with the twelve members of the advisory committee which represents 290 creditor banks. He said that on Tuesday he held several working meetings with Michael A. [last name indistinct], Federal Reserve Chairman Paul Volcker, John Whitehead from the State Department, and finally with U.S. Vice President George Bush, who is seriously considered as a U.S. presidential candidate for the next elections.

HUAYTA ON U.S. COPPER COMPANY CUTTING PRODUCTION

PY280318 Paris AFP in Spanish 2025 GMT 27 Sep 85

[Text] Lima, 27 Sep (AFP) -- Energy and Mines Minister Wilfredo Huayta last night reported that the U.S.-Southern Peru Copper Corporation has unilaterally decided to dangerously reduce its copper output. During an unexpected visit that President Alan Garcia paid to the Energy and Mines Ministry, Huayta briefed the president on the mining situation throughout the country. He explained that the output of small and medium-size mines is as it should be, while the large mining corporations are presenting some problems, as is the case of the Southern Peru Copper Corporation in Cuajone. That U.S. corporation is exploiting the Cuajone, Toquepala, and Moquegua deposits, 1,300 km from Lima, where most of the Peruvian copper is located.

Huayta explained that the Southern Peru Copper Corporation has changed its production pattern. This, he said, is very dangerous because it will reduce production by several million tons of ore which means that the country's revenues in foreign currency will be reduced. The mining sector is the source of 45 percent of the country's revenues in foreign currency.

Huayta added that Southern Peru Copper Corporation's decision to change its production pattern implied that many machines such as drills and excavators, among others, have been stopped. He went on to say that in view of these actions that government will have to implement extraordinary measures, which he did not specify, to cope with the problem.

SHINING PATH KILLS 14 PEASANTS IN HUAYCHAO

PY300216 Paris AFP in Spanish 0159 GMT 29 Sep 85

[Text] Ayacucho, 28 Sep (AFP) -- Shining Path guerrillas have attacked the town of Huaychao, 100 km northeast of here, and killed 14 peasants, according to Huaychao residents, who arrived here today. According to their report, some 100 "terrucos," as the peasants call the terrorists, arrived in Huaychao Thursday night and surprised the sentries of the vigilantes (self-defense force). After occupying the town, the Shining Path guerrillas, armed with firearms and knives, ransacked the stores and fled, taking some sheep with them. In the confrontation, four vigilantes died, while four others sustained machete wounds.

The Shining Path guerrillas, who are active in this Andean region of southeastern Peru, have increased their actions in the past few weeks.

SEPULVEDA PRESS CONFERENCE ON REGIONAL ISSUES

FL271401 Mexico City NOTIMEX in Spanish 2255 GMT 26 Sep 85

[By Roberto Gonzalez Perez]

[Excerpt] New York, 26 Sep (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda today announced here that the tuna embargo against Mexico will soon be lifted, ending a dispute between the two countries [Mexico and the United States] which began in 1981. During a press conference, the official added that Mexico will not change its foreign policy and explained that Mexico's replacement of its representative to the United Nations was in response to a request from Porfirio Munoz Ledo himself.

Sepulveda Amor also noted that Mexican President Miguel de la Madrid may attend the UN's commemorative period and may address the 23 October assembly. There is great interest in his speech, the foreign secretary said.

Asked about if Mexico, after last week's tragedy, will request special terms for payment of its foreign debt, he said it is too soon to guess which actions the government will take because the magnitude of the damages is still unknown.

He denied reports that Mexico City was devastated during last Thursday's earthquake and said only 1.5 percent of the capital sustained serious damages.

Regarding reports that the number of dead could reach 10,000 or 20,000, the Mexican foreign secretary indicated that those comments were very adventurous and irresponsible because, at present, it is very difficult to assertain the exact amount of fatalities.

Referring to the meeting held with UN Secretary General Javier Perez de Cuellar and the foreign ministers of Venezuela, Colombia, and Panama, which form the Contadora Group, Sepulveda underscored that only seven points are pending on the final peace document for Central America, which may be signed within 45 days.

On talks held yesterday with U.S. Secretary of State George Shultz, Sepulveda mentioned that they only discussed bilateral matters, especially regarding the tuna embargo, sea limits treaty, and pollution along the border zone.

SILVA TO SIGN EMERGENCY LOANS IN WASHINGTON

FL262246 Mexico City NOTIMEX in Spanish 2201 GMT 26 Sep 85

[Text] Mexico City, 26 Sep (NOTIMEX) -- Mexican Finance and Public Credit Secretary Jesus Silva Herzog left for Washington today to finalize international financial offers to relieve Mexico City's crisis resulting from last week's earthquakes.

The Mexican official will meet with representatives from several financial organizations which voluntarily offered assistance to Mexico for reconstruction purposes.

After contacting the bankers from the IMF, World Bank, and Inter-American Development Bank, Silva Herzog will notify Mexican President Miguel de la Madrid to keep him informed on the negotiations. Accompanying the secretary is Foreign Credit Director Jose Angel Gurria who will assist Silva Herzon during the signing of these emergency loans granted to Mexico by the International banks.

INTERNATIONAL RED CROSS ENDS STATE OF EMERGENCY

PA271500 Madrid EFE in Spanish 1411 GMT 27 Sep 85

[Text] Geneva, 27 Sep (EFE) -- The International Red Cross [IRC] announced today the end of the emergency status given the situation in Mexico, reporting that the IRC will work in coordination with the Mexican Red Cross in a second, rehabilitation phase.

IRC delegate Jurg Vittani, who arrived in the Mexican capital 24 hours after the earthquake, is back in Geneva, where he told the press today that the solidarity the Mexican people showed toward their fellow countrymen who were in peril was instrumental to the rescue operations.

Vittani rejected the possibility that epidemics could break out, although he did acknowledge that since the beginning of the rubble-collection operations, one of the main concerns of all organizations involved in these works was the water.

Vittani has acted as IRC delegate in 23 natural catastrophes over the past 25 years. He noted that the outbreak of epidemics in cases like these is largely a myth, pointing out that no epidemics broke out in Nicaragua, Iran, or Italy when earthquakes struck there.

The total communications blackout created confusion in Mexico since the beginning, he said, adding that nonetheless the authorities acted properly, always releasing only official figures.

Approximately 2 percent of the close to 18 million inhabitants of Mexico City were in one way or another affected by the tragedy, the IRC delegate said in conclusion.

AMBASSADOR REPORTS CUBA READY TO AID VICTIMS

FL272244 Mexico City NOTIMEX in Spanish 2015 GMT 27 Sep 85

[Text] Mexico City, 27 Sep (NOTIMEX) -- Mexican Ambassador to Cuba Enrique Olivares Santana said today the Cuban people and Government await the call from Mexican President Miguel de la Madrid to donate what is required for rescue efforts and removal of rubble.

Upon his arrival to Mexico to meet with De la Madrid and Mexican Foreign Secretary Bernardo Sepulveda Amor, the diplomat said Cuba has already sent 13 tons of plasma and medications but the value of the aid does not mean as much as the solidarity expressed by the government of Fidel Castro Ruz. Olivares Santana said the international response to the Mexican disaster demonstrates the good relations Mexico has with the rest of the world.

PRESIDENT ARDITO BARLETTA RESIGNS, DEL VALLE SWORN IN

President Returns Early Amid Rumors

PA272029 Panama City ACAN in Spanish 1956 GMT 27 Sep 85

[Text] Panama City, 27 Sep (ACAN-EFE) -- President Nicolas ARdito Barletta arrived in Panama today from New York several hours ahead of schedule amid intense rumors about a political crisis whose scope has yet to be officially reported. Ardito Barletta should have arrived at 2300 tonight (0300 GMT) but his plane landed early today and the reasons for this advance in the schedule have not been officially reported.

The Panamanian president attended the UN General Assembly in New York and met with editors of the U.S. newspaper THE NEW YORK TIMES. At noon today, journalists were unable to confirm whether Ardito Barletta was meeting with General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, who arrived in Panama City on Wednesday night after a 2-week visit to Europe. A military spokesman said that he did not know "where Noriega and Ardito Barletta might be meeting."

At the Defense Forces headquarters, the officer on duty told ACAN-EFE that the secretary of a high-ranking officer "says that no more journalists can go in" when journalists asked to be present when President Ardito Barletta was going to make a statement at the military headquarters.

Nevertheless, another officer took the ACAN-EFE reporter to the office of the Defense Forces spokesman who said he did not know if Noriega and Ardito Barletta were there.

It was impossible to contact the official spokesman of the presidency today; therefore, the president's moves since his return to Panama City are not known. Political, diplomatic, and press circles are truly bubbling with rumors regarding another presidential succession, but life goes on normally throughout the nation.

Political conjectures began to take shape last Wednesday during the absences of both Ardito Barletta and Noriega. Yesterday afternoon, ranking leaders of President Barletta's Democratic Revolutionary Party (PRD), held a meeting in Panama City to evaluate the "political situation," according to the words of one of its leaders. One of the principal PRD legislators, when asked a question by reporters, said: "Panama is a democratic country; nothing is happening here."

The opposition daily LA PRENSA yesterday carried a front page headline that read: "Rumors of a Coup Circulated Yesterday." The item reported allegations that military clashes were taking place in the westernmost Chiriqui Province between the Army and presumed guerrillas. Panama is the only country in Central America besides Costa Rica where there is no armed insurgency movement. The rumors have been officially denied.

Barletta Explains Early Return

PA272345 Panama City Circuito PRC Television in Spanish 2300 GMT 28 Sep 85

[Report by Julio Miller]

[Excerpt] On returning to Panama this morning, President Nicolas Ardito Barletta described his work visit to New York as one with positive results which will broadly bolster investments here in Panama.

His return to our capital had been originally scheduled for tonight. However, the Panamanian president indicated, due to the atmospheric conditions in New York, he was forced to return to Panama City immediately, leaving certain engagements unfulfilled in New York.

[Begin Ardito Barletta recording] All the information we monitored until late in the evening definitely indicated that the hurricane and its accompanying rains and winds would affect the area near New York early this morning and throughout the entire day today and that very probably we would be unable to return tonight. The trip had been initially scheduled for tonight because tomorrow we have an engagement with the Japanese foreign minister who is slated to arrive in Panama to hold several important meetings with us to discuss how to expand our bilateral relations regarding a number of specific issues. [end recording]

## Assembly 'Urgently' Convoked

PA280232 Panama City ACAN in Spanish 0928 GMT 27 Sep 85

[Text] Panama City, 27 Sep (ACAN-EFE) -- The Legislative Assembly of Panama has been urgently convoked tonight, Legislative Assembly President Camilo Gozaine confirmed to ACAN-EFE. The assembly president did not confirm, nevertheless, the reason why this urgent call had been issued.

According to the same source, the agenda for the session was being prepared at 2100 local time (0300 GMT).

According to Article 155, Paragraph 2, of the Panamanian Constitution, it is the purview of the Legislative Assembly "to accept or reject the resignation of the president and the vice presidents of the republic." The call for the session has been issued amidst strong rumors about the possibility that President Nicolas Ardito Barletta will present his resignation from the post.

## President's Resignation Announced

PA280204 Paris AFP in Spanich 0145 GMT 28 Sep 85

[Text] Panama City, 27 Sep (AFP) -- The virtual resignation of Panamanian President Nicolas Ardito Barletta was announced by Camilo Gozaine, president of the Panamanian Legislative Assembly.

This evening, at the headquarters of the Democratic Revolutionary Party (PRD), Gozaine told the press that they are only waiting for a report that must be presented by a commission of PRD legislators. The president of the Legislative Assembly also said that the swearing in of the new president, who according to the Constitution will be Eric del Valle, until today the first vice president of Panama, could be done tonight at the headquarters of the Legislative Assembly.

## Letter of Resignation Read

PA281023 Panama City Panavision Television in Spanish 0747 GMT 28 Sep 85

[Letter of Resignation and Statement read by President Nicolas Ardito Barletta on 28 September -- recorded]

[Text] Fellow citizens: Upon my return from the United Nations I have heard that the main political parties that make up our political alliance, UNADE [National Democratic Union], the honorable legislator members of these parties, and the National Defense Forces, consider that they can no longer work with my presidency to carry out the government actions necessary to help the country out of the difficult circumstances it faces.

As constitutional president of the republic, my first duty is to the Panamanian people, working within the Constitution and the laws, to maintain and increase their welfare, peace, security, tranquility, and independence. To adequately fulfill this duty and to implement the government actions needed to resolve the urgent problems of the country, it is necessary to have the support and help of the allied parties and forces that support the government. The timely actions adopted by consensus and conciliation by these groups are essential for the work undertaken for the people.

Because of differences of opinions, I no longer have the support of these groups in achieving the government's objectives. Therefore, I wish to contribute to peace in our country by resigning from the office to which I was elected. I have made this decision recognizing that without an effective coalition within the legislative assembly one cannot work and with the intention that an adequate solution be sought that will make it possible to confront the needs of our people with a united political force, protecting the democratic institutions in the country.

I have wanted to fulfill my duties to the country and honor the mandate the majority of the people gave me. Since the current circumstances do not allow this, I resign from the office, deeply thanking all the Panamanians who offered me their support. I urge them to continue to struggle for the ideals that united us from the beginning.

Dear fellow citizens, this is the formal note that I am sending to the legislative assembly, which I wanted to read to you, to whom I am fully indebted, and give the reasons for my resignation.

Throughout the day, whenever this subject has been brought up, I have analyzed it thoroughly and very carefully, thinking at all moments of our country. If you do not have the required support of the coalition within the assembly to function as a government, it becomes difficult to serve you as you deserve.

It would have been easy to insist on fulfilling my term of office -- with consequences that I cannot predict. However, I am more concerned for peace and democracy in our country than I am in my personal interests. For this it is necessary to have an effective coalition within the government. Something has been said, and it is still being said, that is not true and I cannot allow it to continue like this. It is said that this situation arose because of differences in economic policies. I wish to make it clear some of the controversial statements made regarding this matter -- which involved commitments partially made by the former government -- along with the additional efforts we made and later presented for public discussion by calling for a national dialogue -- the text of which were recently discussed with agricultural industrialists -- have aimed at the objectives that I have been outlining for over 2 months in order to find a Panamanian proposal that would adequately represent our groups and so that together we could defend these interests before the international organizations whose loans we need.

I believe that because of your intelligence, your maturity, and your citizenship [ciudadania], you deserve to have these things clarified because I cannot allow erroneous statements to be made regarding the differences. This is definitely one of the differences because in this matter I have been flexible as I must be because of my duty to all Panamanians.

I only wish to insist that at this moment the most important thing is for our country to maintain its peace, serenity, and try to preserve the democratic institutions. This is what our people want.

Thank you for your attention.

## Del Valle Sworn In, Addresses Assembly

PA281100 Panama City Domestic Service in Spanish 0902 GMT 28 Sep 85

[Speech delivered by President Eric Arturo Del Valle before the Legislative Assembly following his swearing-in -- live]

[Text] President of the Legislative Assembly, president of Supreme Court of Justice, honorable legislators, ministers of state, fellow citizens:

The Panamanian nation is currently experiencing one of the most difficult stages of its republican life. We have been going through regrettable circumstances. We have been turned into the threater of unfortunate attitudes and actions. And lastly, we have been the victims of unavoidable consequences brought about by factors beyond our control. All this has placed the country in a social, political, and economic whirlpool, which is dangerously threatening the Latin American continent and places the Panamanian, who is trusting and wholesome by nature, on the threshold of disheartening realities at a time when a recently acquired democratic reopening has yet to be consolidated or a stagnant economy reactivated, or a true fiscal balance restored, or substantial solutions found to the most urgent social problems. One of the most important of these problems is the alarming growth of the already high unemployment rate.

For one reason or anther, it has not been possible to imprint on government efforts that image of leadership that invites and creates joint and coordinated actions, nor has it been possible to act firmly in order to achieve a consistency in direction and impose discipline and respect. [applause] Among other things, we have lacked -- and if we do not change, we will continue to lack -- trust in ourselves, and at times, without realizing it, while constantly doubting, we stop being ourselves to find pleasure in a game of destructive criticism, unproductive **inanition** [inanicion] and we can only taste the bitterness of selfish intoxicating rancor that leads to extinction.

The incidents that have culminated with my presence before you, honorable legislators, and before the people of Panama, are not the product -- like some would like to believe -- of plots filled with personal ambition and secretly orchestrated, but rather represent the self-combustion of a situation of constant erosion, drifting more and more each day, that has been affecting the country for months. In view of this situation, the easiest and most confortable position I could have adopted would have been to refuse my constitutional responsibilities in the face of the facts and alternative solutions to the problem -- which I felt would have been more serious and harmful for the republic and its democratic institutions.

The state cannot be an amorphous organization, disconnected or dispersed, without cohesion and direction, and the action of governing cannot be exercised by only recognizing part of the state and repudiating others, such as those who are attempting to divide the state want and by doing this dividing the Panamanian family and society. The three main branches that make up the state -- executive, legislative, and judicial -- are as much a part of the state as the institutions under them. We cannot disregard a public ministry and act with justice, and we cannot put aside, or put in a corner, a defense force only to please its external enemies and denigrators. [applause]

The state is a whole, and as such, it should be handled with an eye to achieving the best balance and the most capable and honest actions and performance on the part of all its branches and representative institutions.

With the same patriotic fervor felt by the most humble and honest citizen, I urge reflection by groups, organizations, or persons who persist in exploiting every bit of disquiet, error, slip or omission to act against the best interests of the fatherland with a dangerous behavior that promotes the destablilization of the state, the disunity of society, and the deterioration of the economy and social peace that we so often say we wish to preserve. [applause]

It would be tragic for us to live in an environment in which the sacred sorrow of others is utilized for ulterior purposes that are the fruit of pure stubbornness.

In this crucial hour for the fatherland, I exhort each and every Panamanian to put aside all partisanship without political commitments of any kind, so that with all groups, associations, organizations and other components of the citizenry, we can form a front of action designed primarily to preserve democratic institutions, civil liberties, and respect for human rights, which will permit us to peacefully return to an era of prosperity for our fatherland in a climate without libertinage, unrest, or individual or collective tragedy.

The legal state that I will have the responsibility of leading from now on, because of an unusual circumstance, is not attempting, through my call for reflection, to ask of those who wish to oppose me anything more than respectful conduct and genuine patriotism within the law, but neither should I ask anything less of them. [applause]

Panama, and we Panamanians, need to awaken from apathy to rise up again, as in other eras -- to rise above our problems, above that which may have been disagreeable in the past, and above the present that annoys -- to decide, without further delay, to rediscover the best path to our destiny and rebuild it with the same determination, strength and firmness achieved by other Panamanians at the beginning of the century, when they united two oceans, imprinting on our territory and our nationality, the indelible characteristics of grandeur.

To date, by the will of the supreme maker, and by virtue of the natural goodness of the Panamanian spirit, our shores have not seen the violence and the war that is tearing apart beloved brother peoples only a short distance away from us. However, that fortunate aspect of our destiny has not made us immune to such catastrophes. Only the firm determination to live in peace, on the lofty foundations of respect for the rights of others will preserve us from the tragedies afflicting our brothers today.

In due time, history will judge my actions in this hour of difficulty for us all, but whatever the final judgment might be, that verdict will not be able to evade the fact that in the face of difficulties and events, summoned by constitutional mandate, and in front of the altar of the fatherland, I had the courage to accept the challenge with which circumstances and destiny confronted me, with the faith of one who believes in God, with the legacy of integrity left to me by my parents and ancestors, and with the flag and shield of this, our fatherland, placed upon my Panamanian heart, with my sights set only on its aggrandizement and the aggrandizement of all men.

Thank you very much. [applause]

## Cabinet Changes Upcoming

PA281200 Panama City Circuito RPC Television in Spanish 0930 GMT 28 Sep 85

[Interview with President Eric Arturo Del Valle by unidentified reporters at the Legislative Assembly following his swearing in ceremony -- recorded]

[Text] [Question] Mr President, will there be cabinet changes?

[Del Valle] Yes, there will be cabinet changes.

[Question] When?

[Del Valle] I expect the changes to be made in 3 or 4 days.

[Question] Has political space been discussed in this change?

[Del Valle] No sir. All parties will have their corresponding political space. There will be no problems.

[Question] Will you have a firm stance in face of the new protests that will arise in the country?

[Del Valle] We will follow a firm line; a correct and just line. Will attend to the matters as they arise.

[Question] Mr President, will you follow the economic plan that the PRD [Democratic Revolutionary Party] says was the reason for Dr Ardito Barletta's resignation as president?

[Del Valle] I would answer differently. We are going to draft an economic plan that will be functional and in accordance with the situation of the country. We will present the plan to all the unions and sectors involved and I am sure that we will be able to make it suitable for our needs; the plan will be acceptable to the government, the private enterprise, the productive sectors, and the international organizations.

[Question] Why didn't Vice President Esquivel attend the session?

[Del Valle] [Words indistinct]

[Question] What is your stance regarding the Spadafora case?

[Del Valle] The same as that of all Panamanians, that it be investigated.

## Situation Calm; Cabinet Resigns

PA281455 Paris AFP in Spanish 1350 GMT 28 Sep 85

[Text] Panama City, 28 Sep (AFP) -- A climate of perfect normalcy prevailed in the Panamanian capital this morning following the resignation of President Nicolas Ardito Barletta and the swearing in of Eric Arturo del Valle, his first vice president, early this morning. Newspapers are circulating as usual and stress the change of power in the top political command post, while the influential Defense Forces have maintained great discretion. Their conspiciuous absence from the streets of Panama City has been observed since yesterday.

While it is expected that the new 48-hour old president will announce today what the platform of his administration will be, the people have continued their daily activities. Meanwhile it was learned that the cabinet under former President Ardito Barletta has resigned leaving del Valle free to elect his new immediate collaborators.

Del Valle, who was sworn into office at 0402 local (0902 GMT) today by the Panamanian Legislative Assembly, stated that the country "is experiencing difficult moments that endanger social and political stability," noting that the government needs "to impose discipline and respect" at this time.

## COSTA RICA

### GUTIERREZ MINIMIZES NEED FOR U.S. AID

PA272225 San Jose LA REPUBLICA in Spanish 20 Sep 85 p 2

[Text] Foreign Minister Carlos Jose Gutierrez has said that U.S. military aid for Costa Rica has almost been ruled out because our main concern is the maintenance of peace, not weapons.

The foreign minister was referring yesterday to a question from an international news agency journalist.

He sent a message on behalf of the ministry to the mothers of all the young men who are in the U.S. Navy and are afraid that their sons will be sent to fight in Central America.

The foreign minister said he was speaking on behalf of Costa Rica, not Central America.

He said: "We hope that by stating our neutrality and exerting every effort to live in peace, U.S. soldiers' support will not be needed at all to maintain Costa Rica's independence and sovereignty."

Nevertheless, he added, we bear in mind the pledge assumed by the U.S. President during his visit to the country, when he said that if Costa Rica were ever attacked, they "would fulfill their pledge according to the Inter-American Reciprocal Assistance Treaty (TIAR)."

### ECONOMY MINISTER NOTES CUSTOMS ACCORD DECISION

PA270237 San Jose LA NACION in Spanish 20 Sep 85 p 8 A

[Text] Costa Rican Economy and Commerce Minister Odalier Villalobos has said that clauses dealing with paper, textiles, clothing, and polyster fibers were the most complex negotiated in the tariff and customs agreement that will be in force in the area in the coming years.

Upon arriving in the country from Managua, where the agreement was signed, the official said at the Juan Santa Maria International Airport that the agreement was divided into three parts. The first part makes an overall tax comparison [equiparacion]: the second lists the items which are not compared; and the third covers the assessments that will be made under the fiscal criteria of each country on the isthmus.

Guatemala, El Salvador, Nicaragua, and Costa Rica signed the agreement yesterday at 1700.

Villalobos said: "The most complicated clauses were those relating to paper, textiles, and polyester fibers, but in the end we approved all the caluses of this new instrument." He did not note the tariff margins for these products.

According to the minister's statement, a Central American Tariff and Customs Council [Consejo Arancelario y Aduanero Centroamericano] was created to unify the nomenclature of the products imported or exported in Central America. The council will administer the system of tax rates for commerce in the region.

The tariff has two annexes. Annex A deals with tariff rates and the customs nomenclature to classify products. Annex B establishes the procedures to estimate ad valorem tax. These two annexes were negotiated during the meeting.

Villalobos added: "After the General Treaty for Central American Economic Integration [Tratado General de Integracion Economica Centroamericana], this has been the most important decision made at the regional level regarding monetary matters." He said that this measure will strengthen the development of the productive sectors and will meet Central America's fiscal and balance of payment needs.

Yesterday Jorge Woodbridge, president of Costa Rica's Chamber of Industries, said that the agreement approved must be sensibly staggered in order to avoid abrupt changes and to allow industrialists to adapt to price increases which are typical of international competition. He stressed that the Chamber of Industries' delegate sent to Managua participated in the technical meetings but did not participate in the final discussions on tariffs.

POLICE POST REPORTS TERRITORIAL VIOLATION

PA270202 San Jose LA REPUBLICA in Spanish 23 Sep 85 p 4

[Text] In a new border incident, the policemen of "Alfa 6" advance post opened fire yesterday when unidentified persons aboard two mysterious boats tried to navigate up the Colorado River (a branch of the San Juan River in Costa Rican territory).

A report sent by the Costa Rican's garrison's commander reveals that when the policemen opened fire, the persons aboard the boats immediately retaliated by firing AK-47 rifles.

The new territorial violation was reported by "Alfa 6" to the general staff in San Jose, which immediately reported it to the National Security Council. The incident took place at 1015. The police reported no wounded during the exchange of fire.

Following the incident, efforts were made to locate Colonel Oscar Vidal, director of the Public Force Division, but to no avail.

## EL SALVADOR

DUARTE DENIES ULTIMATUM ISSUED BY KIDNAPPERS

PA271657 Panama City Radio Exitosa in Spanish 1602 GMT 27 Sep 85

[Report by San Salvador Correspondent Raul Beltran]

[Excerpts] A climate of expectation continues to surround the negotiations underway to secure the release of President Duarte's eldest daughter, kipnapped more than 15 days ago by an FMLN urban guerrilla commando. The government has received solidarity and support from the Armed Forces, opposition political parties, and the private enterprise sector.

Several hours ago President Duarte rejected outright reports that the kidnappers have issued an ultimatum to the Salvadoran Government. However, what remains clear is that the release of the president's daughter depends on the government's decision to release 34 political prisoners, including FMLN fighters taken prisoner during clashes between the Army and the leftwing rebels. This report has been corroborated by Salvadoran Government officials.

Daughter May Be in Nicaragua

PA271900 Panama City Circuito RPC Television in Spanish 1730 GMT 27 Sep 85

[Text] Salvadoran authorities are considering the possibility that Ines Guadalupe, President Jose Napoleon Duarte's kidnapped daughter, may have been taken by her captors to Nicaragua.

## Army Supports Duarte

PA271959 San Salvador EL MUNDO in Spanish 26 Sep 85 p 3

[Text[ "The Salvadoran Army will support any decision adopted by President Jose Napoleon Duarte with regard to the kidnapping of his daughter, Ines Guadalupe Duarte, and her friend, Ana Cecilia Villega," Culture and Communications Minister Julio Adolfo Rey Prendes said yesterday afternoon.

He made this clarification in view of rumors and reports circulating about disagreement in the military ranks about the demands of the kidnappers of the president's daughter. The minister did not give details of the demands, but he clarified that these rumors are false. He also said that other rumors indicating that a deadline had been set for an exchange of prisoners are false.

The official asked Salvadoran journalists and foreign correspondents to handle the reports on this case carefully because unconfirmed reports or those erroneously attributed to official sources "could affect the negotiations or endanger the lives of the captives." Regarding the measures of the High Command and its support for the presidential decision, Minister Rey Prendes said that they had been adopted during a meeting of the High Command, commanders, and directors of security forces.

The kidnapping of Ines Guadalupe Duarte and Ana Cecilia Villega took place on 10 September when they were arriving at the New San Salvador University. Ines Guadalupe Duarte's vehicle was intercepted by armed men.

The San Salvador archbishop said 2 days ago that the church has made efforts to visit the captive and has offered its mediation, but "it seems that they want direct contact with President Duarte." The journalists insisted on learning about the demands, but the culture and communications minister did not want to enter into details. Nevertheless, he admitted that there has been contact.

Regarding talks between the president and his daughter, Rey Prendes said the fact that the president heard a recording of his daughter's voice by radio, as a news report indicated, does not mean that he spoke with his daughter.

Rey Prendes did not want to reveal details of the report that the president had sent radios to the kidnappers through the International Red Cross Committee in order to communicate with his daughter. "I do not deny or confirm anything about that. That is a report from international news agencies," he said.

Asked whether the president or the government knew if Duarte's daughter was in good health, Rey Prendes said: "This is a situation that is very hard to confirm." He denied that the cabinet held a meeting to analyze the kidnapping. It met to present the budget, which according to the Constitution must be presented by 30 September at the latest to the Legislative Assembly. "The ministers met a day earlier and gave their support to President Duarte," Rey Prendes said.

## ODCA Leader Questions FDR Role

PA270219 Panama City ACAN in Spanish 1956 GMT 26 Sep 85

[Excerpt[ Panama City, 26 Sep (ACAN-EFE) -- The Christian Democratic Organization of America [ODCA] today accused the civilian leaders of the Salvadoran guerrillas of being the "accomplices of terror tactics" for keeping silent on the kidnapping of President Duarte's daughter.

This accusation is made in a declaration signed by ODCA President Ricardo Arias Calderon, who today called for a news conference to report on a forthcoming meeting of Christian Democratic leaders of the hemisphere.

Arias Calderon, secretary general of the Panamanian Christian Democratic Party, reported that a few days after the kidnapping of Ines Guadalupe Duarte and a friend on 10 September, a group of Panamanians he did not wish to identify contacted Guillermo Ungo, top civilian leader of the Salvadoran rebels, in Panama City.

"Mr Ungo denied any knowledge of the case, but he would not agree to issue a statement condemning the incident." Guillermo Ungo is the top leader of the Revolutionary Democratic Front (FDR), a group of several political parties allied with the FMLN.

"The FDR civilians are either accomplices of terror tactics, or they are front figures without any political decision-making power, unless they shortly obtain the release of the kidnapped ladies," according to the ODCA president's statement.

According to unofficial sources, a self-styled "Pedro Pablo Castillo" Front, probably linked with the FMLN, has claimed responsibility for the kidnapping of Ines Guadalupe Duarte. However, the guerrillas have not claimed credit for this action through any of their official media or any of their normal channels.

'INTENSE FIGHTING' BETWEEN ARMY, REBELS REPORTED

PA271755 Paris AFP in Spanish 1701 GMT 27 Sep 85

[Excerpts] San Salvador, 27 Sep (AFP) -- Intense fighting between the guerrilla forces and the Salvadoran Army was taking place this morning near Agua Caliente, 65 km north of the capital, in Chalatenango Department, according to unofficial sources.

Members of the 4th Brigade based in El Paraiso and of Military Detachment No. 1, which operates in Chalatenango, were participating today in a counterinsurgency operation, meeting tenacious resistance in the area of Agua Caliente, reports received here indicate. According to residents of towns near the site, the Air Force is participating in these clashes, but there is no official report yet on the results of this operation.

In addition, a new military offensive has begun in northern San Vicente Department, in the central party of the country, where rebel movements have again been detected near Chichontepec Volcano and Cerros de San Pedro.

According to unofficial reports, serious clashes are also taking place in northern San Miguel and Morazan, in the east. According to these sources, the number of casualties sustained by each side has not yet been determined.

VENCEREMOS TERMS SHULTZ 'WOLF IN SHEEP'S CLOTHING'

PA270457 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 25 Sep 85

[Commentary: "A Wolf in Sheep's Clothing"]

[Text] When it is their turn to speak at the UN General Assembly -- a forum all peoples of the planet respect as the forum of peace -- even the gorillas speak nicely, even the most warmongering individuals speak about peace, even the blackmailers speak of peaceful dialogue. Thus was the case last Monday, when U.S. Secretary of State George Shultz spoke at the opening session of the 40th UN General Assembly.

This man, one of the most aggressive strategists of U.S. military intervention in Central America, did not talk to the peoples of the world about the thousands of persons killed year after year as a result of the U.S. armed intervention in Nicaragua and El Salvador. No, Shultz came to speak of peace and dialogue, as if his government were not solely responsible for the continuous war in Central America. The wolf in sheep's clothing.

The (?sweetest thing) Shultz did was to invite Napoleon Duarte to continue with the dialogue. This was a small call to attention to Duarte, as if he [Shultz] were not precisely the one who -- through the Yankee ambassador -- manipulates his puppet Duarte with such short strings that at times Duarte cannot take a step unless Washington wants him to. This is the way the Americans try to hide from the world something which can no longer be hidden: the very evident fact that the Americans are the ones who have frozen the dialogue in El Salvador.

However, the most hypocritical and cynical maneuver of Shultz before the United Nations was something else. While proposing that Duarte continue with the dialogue as a path for peace, the U.S. secretary of state then immediately addressed the Nicaraguan Government, strongly urging it to follow Duarte's example and sit down to talk and negotiate with the counterrevolutionary bands who are directed by the United States from their bases in Honduras and Costa Rica to carry out the U.S. military aggression against Nicaragua.

This diplomatic trick seeks the opposite of what it claims publicly. The wolves -- the warmongering Americans -- want to cover themselves with sheepskins, in other words the willingness to talk. What they seek to maneuver with the peace banner is the dialogue, but for reasons having nothing to do with their original purposes.

What is the maneuver? The dirty maneuver prepared by the U.S. secretary of state before the United Nations calls for manipulating the dialogue in El Salvador and the unanimous support it has from the peoples of El Salvador, the United States, Central America, and the entire world, not in order to reach peace in El Salvador but in order to obtain recognition for the assassin bands of the anti-Nicaraguan contras, which they could not do otherwise.

In the middle of the battle, the Nicaraguan people have organized a single army of people's militias and are defeating the invasions. Those mercenaries who are paid by the CIA could never obtain recognition in the hearts of the Nicaraguan people. How could one believe that the Nicaraguan people, who paid for the defeat of Somoza and U.S. imperialism with the lives of 50,000 of its best children, of understanding in their dignified and patriotic hearts for the murderers, assassins, Somozists, mercenaries, and Yankees who form part of the invading army and who wish to return to the past of nightmares? U.S. Secretary of State Shultz is also seeking a sheepskin for this mercenary forces, which does not represent the people of Nicaragua but rather its worst enemies. He is looking for a sheepskin similar to the one he used to deliver his speech before the United Nations. The U.S. Government wants to manipulate the aspirations of the Salvadoran people and the world so we Salvadorans will solve our country's problem, and a serious dialogue will be the method for reaching peace with justice in order to force the Nicaraguan people to also accept a dialogue with the mercenaries of the antifatherland contras.

The Nicaraguan people's reply is clear and has the full support of all the dignified people. The Nicaraguan war is not an internal one. It is not between national forces that are fighting over power; it is a war which the United States has been waging from outside against Nicaragua.

The dirty war of the CIA and the mercenaries is against the Nicaraguan people. Just look around: Who are they murdering and against whom are they waging terror? It is against the literacy campaign teachers, the cooperative workers, the nurses, the agrarian reform workers, the preventive medicine workers, and so on. This has nothing to do with an internal war. It is not a common force that is attacking the people, against a representative force, against a guerrilla force. It is an external force, it is an artificial army that has been built by an enemy country, and it cannot demand dialogue with any right or possibility of success.

The absurd idea of relating a dialogue between the legitimate people's power of Nicaragua with the mercenary and invading army which is carrying out from abroad the U.S. aggression against this country, as well as the dialogue which our people are demanding between the government and the FMLN-FDR means obstructing dialogue and peace. Obstructing the dialogue and peace for El Salvador heightens U.S. aggression against El Salvador and Nicaragua. No matter how much the U.S. secretary of state talks about peace, so long as the speech is so hypocritically maneuvered and cynical, so long as the U.S. continues with its warmongering policy, they are not going to deceive anyone. The Salvadoran people know very well that its enemies speak of peace and drop bombs. That is what is done by the uniformed assassins and the Christian Democratic assassins. And this is how the gringos do it. We have already unmasked you, gentlemen. We have already unmasked you, Christian Democrats and Americans. You had better remove, once and for all, your sheep's clothing and appear as you really are: wolves, enemies of mankind!

## GUATEMALA

### MEJIA DISMISSES ALLEGED U.S. GOVERNMENT PAPERS

PA272112 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 27 Sep 85

[Text] Head of State General Oscar Mejia Victores refused to confirm today the existence of two documents allegedly released by the U.S. Government regarding the Guatemalan electoral process. A purported FBI memorandum and a report attributed to the U.S. State Department continued to circulate in Guatemala City. The documents, which indicated U.S. Government support for the Christian Democratic Party and the Union of the National Center, were dismissed by Mejia.

[Begin recording] [Mejia] Look, I believe it's just a rumor. A police organization such as the FBI does not have anything to do with the electoral process in any country. A similar thing can be said of the U.S. State Department. These would not be the proper channels [words indistinct] activities in various sectors in the world. [end recording]

### FUEL RATIONING REPORTEDLY REACHES 'CRITICAL STAGE'

PA272038 [Editorial Report] Guatemala City Radio Television Guatemala in Spanish at 0400 GMT on 27 September carries a lengthy report on the situation Guatemala is experiencing in connection with the shortage and rationing of fuel.

The report cites an Energy Ministry source, "who asked not to be identified," who said that the ministry has "a number of reports and evaluations predicting a shortage of fuel for an indefinite period of time" which will follow "the closing of the fuel supply" to Guatemala by oil companies operating locally and abroad. The newscast stated that it "learned that despite the gravity of the predictions, the Energy and Mines Ministry and the administration in general played down the importance of the warnings." It adds that "the reports indicating the risk that fuel will run out nationwide are widely documented and imply not just a possibility, but a terrible reality."

The reports cited by the Energy Ministry source indicate that "the offices that handle the supply of crude in Mexico and Venezuela have indicated that $20 million in back payments to Mexico and $14 million to Venezuela" must be settled before any new shipment of oil is sent to Guatemala. Existing estimates cited by the anonymous source indicate that "the gasoline supply will run out by 4 October," while kerosene and diesel reserves "will last 1 day longer, running out on 5 October." Fuel for industrial consumption is expected to last "until 20 October, after which factories will be paralyzed completely," the report cited by the television station states.

Meanwhile, in their report to the Energy and Mines Ministry, the specialists warn that "fuel for the generation of electrical energy will run out in late October." The source at that ministry reported that he or she "believes that the ministry and the oil companies are negotiating to import finished products through the contracting of guaranteed credits."

In other reports by the newscast, it is indicated that "fuel rationing according to the last number of the license tags entered a critical phase today" as consumers feverishly attempted to fuel up at the pumps. "The situation reached the extreme that two lines formed at gas stations: one made up of cars and another of people on foot carrying 1-gallon plastic containers," the television station reports. At the same time, "the fuel-rationing measure continued to create serious irregularities in bus transportation service in Guatemala City today," the report indicates, adding that "city buses are paralyzed because of the fuel shortage."

Adding to the coverage of the fuel shortage situation, the station cites statements by Head of State Oscar Mejia Victores "this morning," in which the head of state said that he believes "the critical situation prevailing since last week in connection with the fuel supply will be resolved shortly." The head of state said in a recorded statement to the newscast: "I believe a tanker will arrive on Monday to resolve the current fuel problem."

## HONDURAS

### SALVADORAN VICE PRESIDENT MAKES SURPRISE VISIT

PA280133 Panama City ACAN in Spanish 0010 GMT 28 Sep 85

[Text] Tegucigalpa, 27 Sep (ACAN-EFE) -- Rodolfo Castillo Claramount, vice president and foreign minister of El Salvador, arrived unexpectedly in Honduras today to meet with Honduran President Roberto Suazo Cordova and discuss border affairs.

Castillo Claramount, who led a high-level delegation that visited the country for several hours, also met with Armed Forces Commander Walter Lopez, Foreign Secretary Edgardo Paz Barnica, and members of the border delimination commission.

The two countries' commissions evaluated possible solutions to the border dispute which has prevailed between the two countries for the past century. The dispute led to a 100-hour war between Honduras and El Salvador in 1969.

Honduran-Salvadoran territorial commissions are currently working on the demarcation of 66.3 percent of the border which was delimited in a general peace treaty signed in 1980. The treaty ordered negotiations over 5 years for a direct arrangement concerning the delimitation and demarcation of the remaining 33.5 [figure as received] percent of the border.

The direct negotiations ordered by the treaty will conclude on 10 December, and the case must then be transferred to the International Court of Justice at The Hague.

Honduras has hired several European lawyers to provide advice on how to handle the situation with El Salvador. Honduras has also opened an embassy in The Hague.

Edgardo Paz Barnica has confirmed in several press statements that "we are ready for an international suit on our border claims with El Salvador." The Honduran foreign secretary also said: "El Salvador has not shown any political willingness for a direct settlement with Honduras, and therefore we are the ones making the arrangements for an international suit."

Although the delegations that met for several hours today did not make any press statement by mutual agreement, it is known that a negotiated solution between the two parties is being sought, while only those points that merit an international suit would be taken to the Court of Justice.

Rodolfo Castillo Claramount arrived in the country accompanied by Culture and Communications Minister Julio Adolfo Rey Prendes, Deputy Foreign Minister Ricardo Acevedo Peralta, Rene Padilla Velasco, and Colonel Natividad Jesus Caceres, president and member of the national section of the Salvadoran border commission.

PAZ BARNICA REVIEWS BORDER DELIMITATION TALKS

PA271351 Tegucigalpa Domestic Service in Spanish 1130 GMT 26 Sep 85

[Text] National Security Council members met yesterday with the group of international lawyers who are advising the Honduran Government on the negotiations to solve the border conflict with the Republic of El Salvador. The international legal experts held a private meeting with President Roberto Suazo Cordova, who expressed the government's gratitude for their contribution to defending the country's interests.

Foreign Secretary Dr Edgardo Paz Barnica read the following press statement at the conclusion of the meeting:

[Begin Paz Barnica recording -- in progress] ...in Tegucigalpa, with the intention of participating in work meetings, Messrs Professors Paul de Visscher, from the Catholic University of Louvain, Belguim; Julio Gonzalez Campos, from the Central University of Madrid; Rene Jean Dupuy, from the University of Nice; Pierre Marie Dupuy, from the University of Paris; Daniel Bardonnet, secretary general of the International Academy of Law in The Hague; Derek Bowett, from Cambridge University, England; and Arias de Saavedra y Maguelar of Spain, who is also a diplomatic official at our mission in the Netherlands.

These people are outstanding European lawyers who have been acting as advisers to the Honduran Government for many years, first during the border dispute with Nicaragua, later during the mediation phases, and now in the direct negotiations concerning the border dispute with the Republic of El Salvador. They may also advise the Honduran Government concerning an eventual statement at the International Court of Justice at The Hague, according to the General Peace Treaty of 1980.

They are all eminent lawyers with vast experience in international lawsuits, and they came to Honduras -- as previously stated -- to hold work meetings with Honduran Foreign Secretary Edgardo Paz Barnica, the Mixed Border Delimitation Commission, and members of the Honduran Foreign Secretariat.

Today they paid a courtesy visit to present a clear report to the constitutional president of the Republic, Roberto Suazo Cordova, who has stated the Honduran Government's recognition for their valuable contribution to the cause for the defense of Honduras' interests. The meeting was also attended by the other members of the National Security Council.

Given their role as advisors and consultants, these prominent lawyers will not offer a statement to the press.

Tegucigalpa, 25 September, 1985 [end recording]

Following this, the foreign secretary held the following conference with the journalists who cover events at the government house.

[Begin recording] [Question -- in progress] ...with the government, are we definitely prepared to solve our border delimitation problem with El Salvador at the International Court of Justice?

[Paz Barnica] No, we are working on a direct negotiation.

[Question] But there are only a few days left for...

[Paz Barnica -- interrupting] We still have 2 months left, and we can achieve much progress with direct negotiations. No one known what will happen.

[Question] How much are these lawyers charging for...

[Paz Barnica -- interrupting] I cannot tell you in advance. I also think that your question, or a possible answer from me, would be inappropriate.

[Question] But they will surely charge something; they are not going to defend the country free of charge.

[Paz Barnica] That is right, of course, and they are lawyers who deserve all our respect and the fees which have been previously agreed upon.

[Question] What evidence do you have that might let us think that the problem could be solved within 2 or 3 months, perhaps by 10 December, taking into consideration that a lot of time has elapsed and...

[Paz Barnica -- interrupting] Let us trust that we will be able to advance through a direct negotiation; otherwise, we have the alternative of resorting to the International Court of Justice.

[Question] Foreign secretary, the Hondurans have seen with concern that a lot of time has elapsed since the peace agreement was signed in Lima in 1980. If the peace treaty could not be signed within the past 4 and 1/2 years, how could it be done in 2 months?

[Paz Barnica] Well, if El Salvador had the political will, it could be done. However, they have yet to give clear proof of this.

[Question] Doctor, during our negotiations with El Salvador, has the Honduran Government admitted that country's right to Meanguera Island?

[Paz Barnica] No, absolutely not. [end recording]

## NICARAGUA

### ORTEGA DENIES DUARTE'S DAUGHTER HELD IN MANAGUA

PA280358 Panama City ACAN in Spanish 0803 28 SEP 85

[By Denis Garcia Salinas]

[Text] Managua, 27 Sep (ACAN-EFE) -- Nicaraguan President Daniel Ortega denied here today that the Salvadoran president's daughter, Ines Guadalupe Duarte, who was kidnapped by guerrillas, is in Nicaragua. He accused U.S. President Ronald Reagan of being "the world's biggest kidnapper."

Ortega said it is "false" that the Salvadoran president's daughter has been taken to Nicaragua, as the rebel station Radio 15 September, official voice of the Nicaraguan Democratic Force, FDN, has asserted.

The Nicaraguan president said that counterrevolutionaries "are trying, somehow, to discredit the Sandinist process and involve the Nicaraguan Government in the kidnapping of Ines Guadalupe, in which Nicaragua has not participated."

During a meeting with the mothers of seven young men kidnapped by "mercenaries" in the country's north exactly 1 year ago, Ortega said: "Nicaragua is willing to help resolve this problem in a satisfactory manner." Without explaining how Nicaragua can assist in the release of President Duarte's daughter, Ortega said that the kidnapping is one more event of the many that take place in Central America due to the U.S.' "terrorist policy."

According to Radio 15 September, Ines Duarte, kidnapped on 10 September, was taken to Nicaragua and has been drugged since her abduction. The station said that she is being held in Las Colinas, an exclusive Managua neighborhood.

Ortega today talked with the parents of the young men kidnapped by counterrevolutionaries in the country's north.

Ortega also said: President Reagan "won't say a word about the kidnapping of Duarte's daughter or the many Nicaraguans abducted and murdered by the rebels." He stressed: "Reagan should order his mercenaries to release the boys kidnapped by counterrevolutionaries."

He charged that the kidnapped Nicaraguans are in the rebels' Honduran and Costa Rican bases.

Ortega's statements come as President Reagan is asking the U.S. Congress to approve $54 million to fight what he considers "terrorism in Central America."

D'ESCOTO MEETS USSR'S SHEVARDNADZE IN NEW YORK

PA271620 Managua Radio Sandino in Spanish 1200 GMT 27 Sep 85

[Text] During a meeting between Nicaraguan Foreign Minister Miguel D'Escoto Brockman and USSR Foreign Minister Eduard Shevardnadze last Tuesday, both men agreed that a just political arrangement in Central America will only be possible through talks giving due respect to each country's right to freely choose its own means of development.

At the foreign minister's meeting in New York they stressed Nicaragua's constructive efforts as well as the Contadora Group's efforts and those of other peace-loving countries. The Soviet foreign minister also met with U.S. Secretary of State George Shultz and repeated the Soviet point of view that the main task at the upcoming Soviet-U.S. meeting must be to seek mutually acceptable agreements aimed at ending the arms race.

DEPUTY CULTURE MINISTER VISITS GDR, USSR

PA272255 Managua Domestic Service in Spanish 0300 GMT 26 Sep 85

[Text] On 23 September Nicaraguan Deputy Culture Minister Francisco Lacayo began a tour of the GDR and the USSR. The Sandinist government official is traveling with Carlos Vicente Ibarra, head of the Culture Ministry's International Relations Department.

The 30-day tour was begun to sign agreements on cultural exchange and on the introduction of new projects, especially for the plastic arts school and the music school.

CONSTRUCTION MINISTER ON TOLL OF CONTRA ATTACKS

PA262326 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 26 Sep 85

[Text] Construction Minister Commander Mauricio Valenzuela has told foreign journalists that 67 construction workers died as a result of activities carried out by counterrevolutionary bands during the first half of this year.

Minister Valenzuela added that 165 pieces of equipment have been destroyed thus far, including dump trucks, tractors, and trucks in general, valued at more than $7 million.

Valenzuela also announced the expansion of the cement factory's installations and the beginning of feasibility studies for the construction of a new cement plant in Siuna, northern Zelaya.

142 CONTRAS REPORTED KILLED IN REGION 6

PA272241 Managua Domestic Service in Spanish 0300 GMT 26 Sep 85

[Text] A highly placed source of the Sandinist People's Army [EPS] in Region 6 has said that 142 Somozists have been killed so far this month. Lieutenant Javier Castillo of the EPS' political division said that fighting with counterrevolutionaries occurred in (El Collelar), El Prisionero, El Delirio, (Cerro de Agua), and other areas. As a result of these clashes, 6 mercenaries were captured and 24 were injured.

## CRUZ PLAN TO OUST SOMOZIST COLONELS FAILS

PA270242 San Jose Radio Reloj in Spanish 1200 GMT 26 Sep 85

[Text] Sources of the armed and political forces opposed to the Nicaraguan Sandinist regime have said that the Nicaraguan Democratic Force, FDN, General Staff is the biggest obstacle to unity. According to these sources, a few days ago Arturo Cruz tried to oust Colonels Armando Lopez, Ricardo Law, Donald Torres, Ignacio Cespedes, Juan Gomez, and Enrique Bermudez -- all former members of the Somozist National Guard -- but he failed.

The same sources said that this resulted in a crisis in the FDN, but when Cruz realized that he could not oust them, he stopped insisting.

## OPPOSITION NOTES OBJECTIONS TO CARTAGENA DOCUMENT

PA191828 Bogota EL SIGLO (Nicaragua HOY Supplement) in Spanish 11 Sep 85 pp 1, 3

[Text] The three top leaders of the Nicaraguan Opposition Unity (UNO) recently sent a letter to the presidents of the member countries of the Contadora and Lima Groups in which they point out serious deficiencies in the Cartagena document, which was recently signed by the foreign ministers of these peacemaking groups.

The Cartagena document seeks to lay the groundwork for pacification of the area, but according to the Nicaraguan leaders, if deficiencies in fundamental proposals are not corrected "the fulfillment of its objectives would be jeopardized."

In the letter, dated 30 August, to President Raul Alfonsin of Argentina, Jaime Lusinchi of Veneuzela, Miguel de la Madrid of Mexico, Jose Sarney of Brazil, Julio Sanguinetti of Uruguay, Alan Garcia of Peru, Belisario Betancur of Colombia, and Nicolas Ardito Barletta of Panama, UNO leaders Arturo Cruz, Alfonso Robelo, and Adolfo Calero raise four points they regard as essential to the solution of the crisis in Central America and which they say the Cartagena document blithely ignores:

1) It fails to recognize explicitly that the root of the conflict lies in the existence in Nicaragua of a totalitarian Marxist-Leninist regime which, in addition to oppressing the Nicaraguan people, is expansionist and threatens and attacks its neighbors.

2) It ignores the fact that "the Nicaraguan people are currently enduring the horrors of a bloody armed struggle which is causing untold suffering and loss of life and has led the country to a grave political, social, and economic upheaval," concepts which are embodied in the first introductory paragraph of the resolutions of the 17th consultative meeting of OAS foreign ministers of 23 July 1979, which described the situation at that time. This situation has been worsened terribly by the betrayal by the FSLN, which has forced the Nicaraguan people to return to the armed path.

3) Although the document states that the solution must be found through dialogue and political as well as diplomatic negotiation, it once again ignores the indispensable participation in such dialogue by the Nicaraguan opposition, which has proposed it on several occasions to promote national reconciliation, respect for human rights, and an electoral process that would culminate in free elections.

This attitude of the Contadora Group, belying its impartiality, is in contrast to the satisfaction it has expressed over the dialogue between the legitimately elected Salvadoran Government and the communist Salvadoran guerrilla movement, which has refused to participate in genuine elections. This position is all the more inconsistent since some Contadora member countries are currently promoting dialogues with Marxist-Leninist movements in their own countries while ignoring the democratic Nicaraguan rebels who are struggling, and will continue struggling, to achieve freedom, justice, and peace.

4) While it urges the signing of the Contadora document, no concrete formulas are proposed to demand that the Sandinists comply with previously undertaken commitments, specifically those contained in the resolutions of the 17th consultative meeting, which were unanimously approved by the governments that now comprise the Contadora and Lima Groups. Under the circumstances, it would be fitting to ask the presidents [of each Contadora and Lima Group country] with all due respect: Would your government be in a position to guarantee compliance with this new commitment when the previous one has been so flagrantly violated?

We thank you, Messrs presidents, the letter states, for your stated interest in the solution of this grave conflict, which involves meddling by an extra-continental power and seriously threatens the political and social stability of Latin America as a whole if it is not solved promptly and adequately. Appealing to the democratic and peaceful calling of your governments and Your Excellencies' humanitarian feelings, we ask you to exert your influence so that a reasonably short deadline will be set for the Contadora process, which has lasted so long, at a high cost of precious human lives, particularly youths; substantial property losses; and the gradual deterioration of the situation in Central America, at the expiration of which the existing inter-American mechanisms must be explored.

UNO ENDORSES AREA MINISTERS' 4 SEP DECLARATION

PA250352 San Jose LA PRENSA LIBRE in Spanish 14 Sep 85 p 11

[Letter from the Nicaraguan Opposition Unity, UNO, to the foreign ministers of Costa Rica, El Salvador, and Honduras, dated San Jose, 11 September]

[Text] Your Excellencies Costa Rican Foreign Minister Carlos Jose Gutierrez, Salvadoran Foreign Minister Rodolfo C stillo Claramount, Honduran Foreign Secretary Edgardo Paz Barnica:

The UNO expresses its satisfaction over the joint declaration that Your Excellencies issued in San Jose, Costa Rica, on 4 September. The joint declaration is in line with the legitimate aspirations of the Nicaraguan people and seeks to stress the need for national reconciliation through civilized dialogue in the Contadora negotiations.

On several occasions we have addressed the government of the Sandinist front and the international community -- represented by the sister countries of Central America, the Contadora Group, and the OAS -- in order to find a peaceful solution to the national crisis. Those proposals have been directed not to seek a share of power, but to achieve the establishment of a legal state that will enable us to resolve our differences within a new constitutional system. We stated this in the San Jose Document (1 March 1985) and the San Salvador document (12 June 1985).

The Managua regime has repeatedly rejected our call for a dialogue, arguing that the national crisis "is the result of the contradiction between imperialism and the revolution." Nevertheless, it is evident that it is the result of the people's rejection of a military dictatorship that violates the national values and the aspirations of the Nicaraguan people.

The establishment of a true democracy in Nicaragua is not a superfluous necessity caused by the whim of some leaders or the result of Washington's imposition. It is above all an objective necessity and a historic aspiration of the people that, if not satisfied in the short-term, will worsen the tensions and intensify the regional crisis.

Peace in Central America is indissolubly linked to Nicaragua's democratization. That is why we have stated on repeated occasions that without it regional stability, integration, and the CACM are utopian dreams.

We are encouraged by the fact that the clamor of our people has found recognition in your declaration, and we share your justified concern about the FSLN expansionist tendencies and the growing incidence of the East-West conflict in the internal matters of the region.

We reiterate to Your Excellencies our commitment as noted in the San Salvador document to continue struggling on all fronts for the liberation of our homeland, giving priority to a political solution that will spare our people unnecessary suffering.

We give our enthusiastic support to your decision to demand that the FSLN fulfill the commitments made during the 17th consultation meeting of the OAS foreign ministers. We feel that the regional organization cannot continue to evade its responsibility in the search for a solution to the civil war being waged in Nicaragua.

We accept with optimism the incorporation of the Lima group governments in the efforts for peace and the full and active participation of all the regional governments.

We request that Your Excellencies include a member of the Nicaraguan opposition in the next Contadora Group meeting, as was the case at the 17th consultative meeting of the OAS foreign ministers by the illustrious Government of Panama. We believe that such a presence would add new viwpoints in the search for political alternatives to the regional crisis.

Respectfully yours,

Evenor Valdivia, UNO secretary

## BRIEFS

NEW SOCIAL CHRISTIAN PRESIDENT -- Last night Erick Ramirez was elected president of the Social Christian Party. [Summary] [Managua Radio Noticias in Spanish 1200 GMT 23 Sep 85 PA]

CASTRO STANCE ON FOREIGN DEBT TERMED 'ALTRUISTIC'

PA271509 Havana International Service in Spanish 0000 GMT 27 Sep 85

[Station Commentary by Dulce Maria Pastor]

[Text] With great cynicism and moved by voracious interests the imperialist government headed by Ronald Reagan is trying to distort the altruistic proposal made by the Cuban president, which has emerged from a profound analysis of the dramatic situation of the Latin American and Caribbean peoples who, just as the rest of the so-called Third World, are currently being strangled by debts and mounting interest rates.

In each of the speeches delivered by Commander Fidel Castro during the past few months, he has clearly stated Cuba's stance regarding its foreign debt, which amounts to approximately $3 billion; in other words, only $300 per inhabitant. How can this be, in the midst of an acute worldwide economic crisis? Simply because 85 percent of Cuba's trade is conducted with the socialist community. As Fidel has said, we are the only country in the region immune to the crisis, since in convertible currency, Cuba's foreign debt is minimal.

Despite 26 years of blockade imposed by U.S. imperialism, and of U.S. pressures on international banks and governments, Cuba has managed to face the foreign debt problem at very grievous times for other Latin American and Caribbean countries. Cuba has managed to reduce the proportion of its refinanced debt. It refinanced 53 percent of its debt in 1983, 40 percent in 1984, and this year's refinancing is not expected to be more than 29 percent. Cuba has renegotiated its foreign debt amid extremely adverse circumstances. However, its credibility as a nation that honors its international financial commitments has backed its renegotiation efforts.

In 1982, as a result of the worldwide capitalist economic crisis and of the drop in the price of sugar, Cuba asked its creditors to postpone the payment of its debts in convertible currency. The Cuban Government's proposal was based on amortization during a 10-year period, with a 3-year grace period. Washington's aggressive maneuver would have hit Cuba as it has many underdeveloped countries had we depended basically on the capitalist market. However, those links only represent 15 percent of our trade exchange. In addition to the extraordinary advantage of having a new economic order with the socialist community which guarantees a market for our products and just prices, the Cuban Government did not permit the flight or misuse of a single penny of the credits it received. As Fidel Castro has said, Cuba does not owe anything to U.S. banks, the IMF, or other credit institutions that are under imperialism's control. This, in essence, is the difference between Cuba's situation and that of other Third World countries, for which the solution of the foreign debt problem will only be the beginning of a huge battle that will put an end to the unequal and unjust trade, protectionism, excessive interest rates, and other measures that lead to the improvement of peoples.

Cuban President Fidel Castro has reiterated that his proposal calling for the cancellation of Latin American and Caribbean foreign debt is not intended to favor Cuba, and that instead it is in favor of the region and the Third World in general, whose debt surpasses $950 billion. In addition, Castro has stressed that Cuba...[15-second break in transmission] ... attacks and all kinds of pressures to prevent its development, Cuba has managed to attain economic progress and growing welfare for its people.

NICARAGUAN DELEGATION ON FACT-FINDING VISIT

PA270311 Havana International Service in Spanish 0000 GMT 23 Sep 85

[Text] Humberto Solis, FSLN representative and head of a delegation visiting our country, stressed here in Havana the Nicaraguan people's spirit of sacrifice and their will and determination to win.

He told the NATIONAL NEWS AGENCY of Cuba that the Nicaraguan counterrevolution has not been able to occupy any portion of the Nicaraguan territory, from where they can seek the recognition of a provisional government, despite the millions of dollar it has received from the United States.

Solis is heading a delegation of representatives of Nicaraguan political parties which are interested in learning more about Cuba's constitutional process. He said: We are involved in a fact-finding process in our country and abroad, so that we can draft a constitution according to Nicaragua and Latin America's reality and we have 2 years to do it.

TANZANIA'S NYERERE TO ARRIVE FOR VISIT 29 SEP

FL281230 Havana Domestic Service in Spanish 1100 GMT 28 Sep 85

[Text] In response to an invitation from Commander in Chief Fidel Castro, Julius Nyerere, president of the United Republic of Tanzania and of the Revolutionary Party of Tanzania, will arrive in Cuba tomorrow afternoon, Sunday, on an official and friendly visit.

The population of Havana will receive President Nyerere and the delegation accompanying him warmly and fraternally, at Havana's Jose Marti International Airport.

RAUL CASTRO, JORGE RISQUET SPEAK IN GUANTANAMO

FL301249 Havana Domestic Service in Spanish 1100 GMT 30 Sep 85

[Excerpts] The provincial assembly meeting of the party was held in Guantanamo and presided over by Raul Castro, second secretary of the Central Committee and FAR minister. During the meeting, Castro awarded the banners to representatives of the municipalities, accrediting them with the ready for the defense condition.

The meeting was concluded by Jorge Risquet who expressed the solidarity between the residents of Guantanamo and all Cubans with fraternal Mexico and with the struggle for nonpayment of the Third World foreign debt.